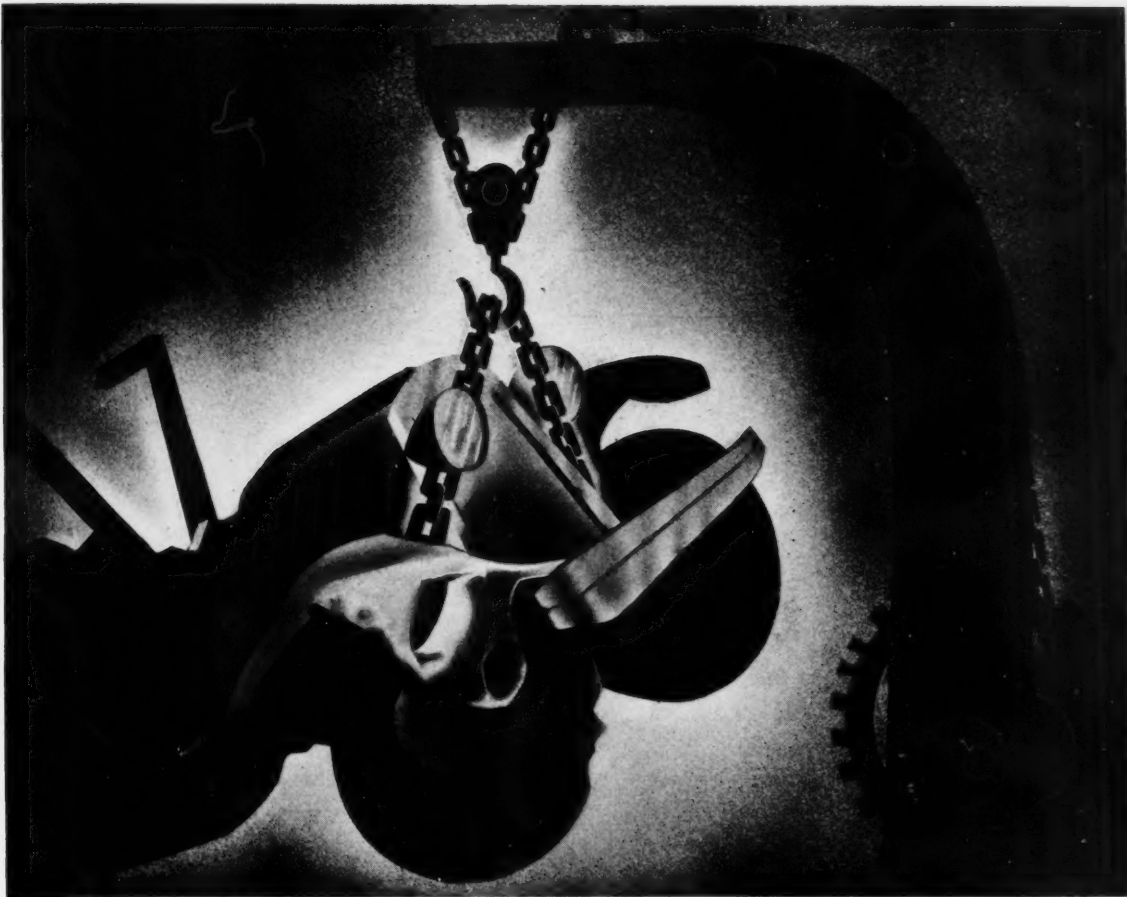


The **NATIONAL UNDERWRITER**



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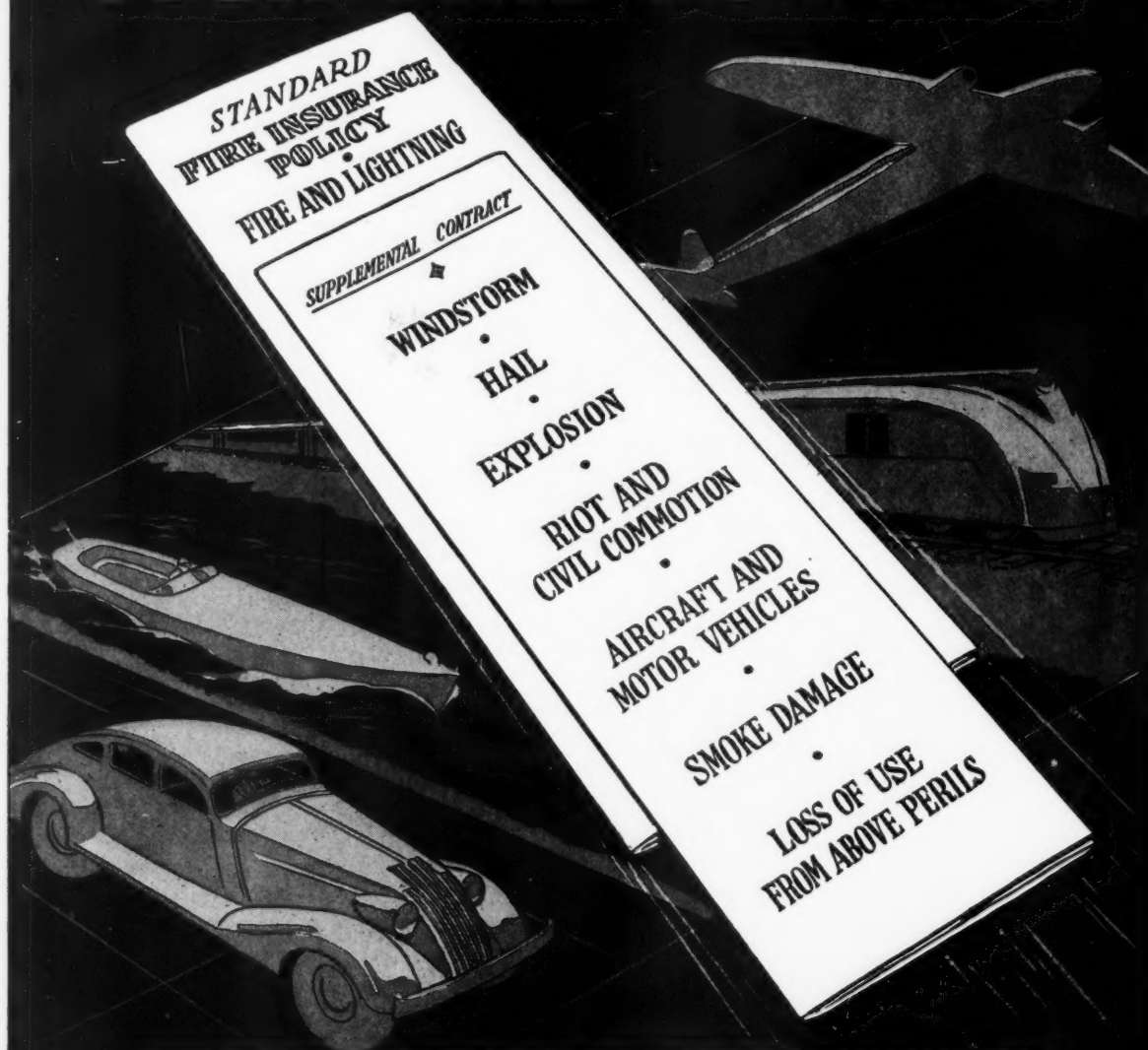
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THURSDAY, MAY 27, 1937

Streamline YOUR FIRE POLICIES



BRING YOUR FIRE POLICIES UP TO DATE

INSURANCE, like everything else, is subject to progress, just as automobiles, trains and other means of transportation of former days have all been improved and made more efficient.

Our regular FIRE insurance policies are brought up to date by the NEW "SUPPLEMENTAL CONTRACT," and are now as far ahead of the old fashioned, simple fire policy as the new streamlined conveyances are ahead of the old stage coaches.

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Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

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based on a long and
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NORWICH UNION **FIRE INSURANCE SOCIETY, LTD.**

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Eagle Fire Company **of NEW YORK**

Incorporated 1886

Hart Darlington, President

The Oldest New York Insurance Company

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INCORPORATED - 1872

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Tho' time and customs change, Insurance adapts itself,
and, as always, provides the coverage to fit the need.

Old enough to be experienced, modern enough to meet
current requirements, sound enough to stand in the high-
est rank

Great American

has the confidence of the public and of the insurance
fraternity.



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Sales, Development Work Is Discussed

Many Interesting Subjects Taken
Up in Business Sessions
at Syracuse

MUNDUS PRESENTS VIEWS

Need for Business Development Work
in Smaller Towns Is
Emphasized

OFFICERS ELECTED

President—John J. Roe, Jr., Patchogue.

Vice-presidents—R. M. L. Carson, Glens Falls; Thomas A. Sharp, Rochester.

Secretary-treasurer—J. W. Rose, Buffalo.

Directors—Hallett J. Burrall, Geneva; Richard Cary, Niagara Falls; Warren E. Day, Syracuse; Albert Dodge, Buffalo; F. L. Gardner, Poughkeepsie; Joseph H. Miller, Utica; Hume Morss, Elmira; Phillip A. Murray, Mt. Vernon; T. L. Rogers, Little Falls; Archibald J. Smith, New York; Charles H. Tuke, Rochester; A. C. Wallace, Goshen; Robert Toedt, New Rochelle; H. H. Hatch, Messina; Richard E. Thompson, Valley Stream; William F. Stanz, Brooklyn; Edward S. Poole, Albany; Kenneth Estenbrook, Binghamton.

By RALPH E. RICHMAN

SYRACUSE, N. Y., May 26.—About 500 people were in the convention hall Monday afternoon at the opening session of the annual meeting of the New York State Association of Local Agents, President John J. Roe, Patchogue, presiding. First Vice-president R. M. L. Carson, Glens Falls, responded to an address of welcome from the chairman of the Syracuse city council.

J. W. Rose, Buffalo, secretary-treasurer, reported a membership gain during the year, bringing the total to 1,018. He reviewed the activities of his office during the year.

Before introducing Professor Herbert Greaves of Yale University, who spoke on "Speech and Personality," President Roe stated he had received information that Insurance Director Palmer, Illinois, president National Association of Insurance Commissioners, was critically ill following an appendicitis operation.

Yale Professor Talks

Professor Greaves said salesmen could succeed who were convinced of the value of their product and service, were filled with enthusiasm for them and possessed a passion to have their value. But they might succeed more easily and emphatically, if they learned to speak effectively with the three modes of expression, words, voice, and body. His talk of one hour was largely a dramatic exposition of that theme with many ex-

(CONTINUED ON PAGE 57)

View Insurance Buyer's Work from Three Angles

Head of Department Warns Against Usurping Functions of Broker

The manager of an insurance buying department of an industrial concern should become just as well informed an insurance man as he can, but no matter how well informed he may be, he cannot and should not usurp the functions of the insurance salesman, according to J. G. Reese, supervisor of insurance and safety Consolidated Gas, Electric Light & Power Co. of Baltimore, who addressed the annual insurance conference of the American Management Association in Atlantic City.

Mr. Reese provided the insurance department manager's views on the proper operation of an insurance buying department. At the same meeting an agent gave his views on the subject and a company executive did likewise.

The man ideally equipped to head an insurance buying department is one who has had long service with the company so as to be acquainted with the problems and policies of the business and who has been in the accounting or financial departments.

Cites Needed Qualities

The insurance manager must possess tact, patience, have a judicial mind, be trained in finance, business organization and law, at least in contract and negligence. He should keep abreast of latest developments by reading insurance magazines and papers, by keeping in close contact with his own trade association's activities in insurance and with organizations such as the insurance conference of the A. M. A.

The insurance manager, according to Mr. Reese, should report directly to the president or an executive vice-president.

Cut Costs, Maintain Security

The insurance manager should endeavor to reduce insurance costs to a minimum, but never at the sacrifice of security. There should always be sufficient insurance to preserve the financial stability of the organization in case of loss or claim.

The manager should keep in touch with all activities of the business. Buildings may be erected, equipment installed or transferred and in the ordinary routine these changes may not reach the books until a month or six weeks later. Meanwhile the property may remain unprotected. Equipment or machinery may be insured in one building of a group but for operating reasons be moved to another building. This might bring about an important change from an insurance standpoint. Regular inspection of the property will bring about many surprising facts concerning insurance hazards, he said.

The most desirable method of obtaining values of property to be insured is

(CONTINUED ON PAGE 32)

Boston Agent Talks from Stand- point of the Producer—Warns of Price Appeal

ATLANTIC CITY, May 26.—C. C. Hewitt of Boit, Dalton, Church & Hamilton, Boston local agents, in his talk before the insurance division of the American Management Association meeting here this week, spoke of insurance management from the producers' viewpoint. Mr. Hewitt asked the question whether agents prefer to deal with insurance managers or with officers or executives who handle insurance as part of their many duties. He said that it made little difference to him except that he wanted to deal with a man who had time enough to listen to his story.

Three Chief Factors Noted

Mr. Hewitt said there are three principal factors in insurance, the company, the policyholder and the agent or broker. It is the duty, he said, of the companies to get a fair price for their security, not to waste money in loss payments and to resist unfair claims. Some smart traders, he said, outwit a company and pay less than they should. There are supposed to be no loss leaders and no bargains.

He told his audience not to be deceived as to any company's philanthropic interest in anybody but itself. This goes with mutuals and reciprocals as well as stock companies. There are many companies doing national advertising, they are extending themselves, they are aggressive. All companies, he said, which are aggressive obviously have their own interests first at heart.

Sees Naught but Price Problem

Mutual or reciprocal insurance or directly written insurance, he said, is a price problem pure and simple. It may be smartly confused, but it is always a price problem.

Speaking of the policyholder, he is supposed to look out for his own interests but he has a man sized job to inspect for changes in his properties, follow shipments, inventories, valuations, bond changes, payrolls, loss reserves, outstanding claims, products problems, and to carefully estimate the risks of his company. Mr. Hewitt said that no one except the assured himself can make his entire personnel realize that it is the concern for which they work, which really pays the loss cost.

Where the Agent Comes In

The right kind of an agent, he said, knows markets, contracts, rates and rate gymnastics, changes, losses, habits of companies and experiences of others. He is the representative of the assured to a large extent and the company knows it. The agent, he said, should be strong enough to convince the assured that it is unsound to buy a contract

(CONTINUED ON PAGE 57)

General Agents in Denver for Meeting

Annual Gathering Held With W.
S. Braerton Officiating
as President

NO PRESSING PROBLEMS

C. V. Davies; J. R. Dumont; F. S. Dau-
walter and A. F. Saucheray Are
Among Speakers Heard

OFFICERS ELECTED

President—L. E. English, Richmond,
Va.

Vice-presidents—S. Lewis Johnson,
Charleston, S. C., and Floyd West,
Dallas, Tex.

Secretary—Henry Cobb Stebbins,
Denver, Colo.

Chairman executive committee—
L. B. Daniels, San Francisco.

By LEVERING CARTWRIGHT

DENVER, May 26.—One of the most congenial groups of insurance conventioners—American Association of Insurance General Agents—had their annual meeting here a mile high the first three days of this week. This is always a pleasant, social gathering and it was unusually so this year because of the hosts had extended themselves to show the city and its environs to the visitors to the best of its advantage.

No Pressing Problems

This organization, as a unit, doesn't have many vexatious problems. It doesn't concern itself with regulatory machinery. These general agents, as a group, have few quarrels. They have the companies. They have the local agents. They have the insurance press (that goes double).

They do, however, have one deep seated and continuing hate and it is the equivalent of a dozen or so lesser hates. What they abhor is the operator who goes by the name of general agent, but is in reality not an appointer of agents, an underwriter of their business, a collector, etc., but is a direct writer receiving better than the local agency commission scale.

The business of the organization was completed and the speeches were heard at morning sessions. There was none of this modern convention business of breaking up into departmentals, with half a dozen sessions going simultaneously, no committee meetings until midnight. The afternoons were free for diversion. Monday evening was held the dinner dance. Tuesday afternoon was a motor trip to the mountains followed by a dinner. Monday noon the Merchants Fire of Denver was host at a luncheon.

(CONTINUED ON LAST PAGE)

Sit-Down Strikes in A.M.A. Spotlight

Get Bulk of Attention at Insurance Conference's Consequential Loss Session

RESEARCH GROUP DINNER

Managing Director J. G. Goetz Sees Greater Willingness of Carriers to Heed Buyers' Views

By R. B. MITCHELL

ATLANTIC CITY, N. J., May 26.—The American Management Association insurance conference's discussion of consequential damage quickly veered around to sit-down strikes, where it remained almost without interruption for the rest of the first afternoon session.

The question uppermost in nearly everyone's mind was the extent of the coverage given by use and occupancy insurance in connection with damage caused by riots, insurrections and civil commotion, and particularly whether this type of U. & O. is broad enough to cover the period between actual damage and the time that the owners regain possession of a plant from the sit-in strikers.

It was explained that underwriters generally do not regard their liability as applying between the time damage occurs and the plant gets back into the owners' hands, though it would of course apply from the latter point until repairs were completed. Some thought that the carrier should assume this liability, contending that inability of the owner to make repairs immediately because of forces beyond his control cleared him of any failure to make these repairs with "due diligence and dispatch," as required in the contract. Just what would constitute due diligence and dispatch in such a case was something on which nobody seemed anxious to commit himself.

Divergence on U. & O. Coverage

Someone argued that the U. & O. coverage should extend right from the day the damage occurred, since in the case of a U. & O. policy covering fire insurance the coverage applies from the beginning of the fire, even though the conflagration may make the starting of repairs impossible for a week or more. However, one of the underwriters pointed out that in the case of fire U. & O. the delay is directly due to the peril insured against, whereas with sit-down strikes the delay is due to the peaceful occupancy of the plant by the strikers while the peril insured against is not this peaceful occupancy but damage during a riot, civil commotion or act of malicious mischief, even though the damage might occur during the strike.

This brought on a discussion of just what constitutes riot, civil commotion or insurrection and whether a sit-down strike could be designated by any of these terms. C. E. Minor, secretary special service department, Royal-Liverpool group, whose address led off the session on consequential damage, read the best available legal definitions for riot, civil commotion, insurrection, malicious mischief, vandalism, and sabotage and said in his opinion that by no stretch of the imagination could the sit-down strike, as such, be construed as being either riot, civil commotion, or insurrection and that probably the definition of sabotage comes the closest to being applicable to the sit-down strike.

The aims and accomplishments of

(CONTINUED ON PAGE 33)

E. H. Boles Tells Problems in Reinsurance Field

NEW YORK, May 26.—Casualty and surety companies operating in the United States are expected to report in the near future total premiums in excess of \$1,000,000,000, and are likely to pass fire companies in volume of business in the next few years unless there is much greater activity in business and building construction is more extensive than is now in prospect, according to E. H.

Boles, president of the General Reinsurance and the North Star.

Total casualty and surety reinsurance premiums wherever written by all professional reinsurance companies as reported to the New York department for 1936 aggregated \$29,797,607, gain of 6.5 percent over \$27,967,662 in 1935. Professional fire reinsurance premiums of

(CONTINUED ON PAGE 30)

THE WEEK IN INSURANCE

The New York Association of Local Insurance Agents met this week at Syracuse. Page 1

H. A. Clark was reelected president of the Western Insurance Bureau at its annual meeting. Page 16

Mid-year meeting of Illinois Association of Insurance Agents is held in Springfield. Page 3

General agents meet in Denver and elect officers. Page 1

United States Supreme Court has set aside the Georgia law against salaried agents. Page 2

Commission control on fire business in New York by department in connection with rating work remains live issue, as bill may be refiled in next legislature. Page 4

Demand for action in remedying Dominion fire insurance conditions comes from British head offices following failure of Ottawa conference to evolve remedy. Page 54

Associate Western General Agent W. C. Boorn, Hartford Fire, died suddenly at the Minnesota Club in St. Paul. Page 3

A. A. Ballantine, addressing American Management Association insurance conference, advocates system of compensating victims of automobile accidents comparable to the workmen's compensation plan. Page 35

C. C. Hewitt, Boston local agent, speaks before the American Management Association meeting. Page 1

Six fire companies lose first round in suit against city of Milwaukee to reimburse them for payment to street car company under riot policies after 1934 strike; plan appeal to state supreme court. Page 16

A. F. Southerer, Jr., vice-president First Bancredit Corporation, in address before convention of general agents, urges systematic use of the new simplified premium financing plan. Page 12

Annual meeting of the South Carolina Association of Insurance Agents held at Sumter. Page 18

J. G. Reese gives suggestions for the proper operation of an insurance buying department for an industry at meeting of insurance conference of American Management Association in Atlantic City. Page 1

New Hampshire commissioner denies casualty companies request for rate increases ranging from 13 percent to 49 percent on P. L. and P. D. Page 36

J. Ray Donahue, who was formerly vice-president of the old Republic Casualty of Pittsburgh and later the Independence Indemnity, has become vice-president of the United Endowment Foundation of New York. Page 39

Eastern Underwriters Association prestige enhanced by reaffirming Rochester excess commission ruling. Page 10

W. C. Collins of Hattiesburg, Miss., was elected president of the Mississippi Association of Insurance Agents at its annual meeting. Page 8

General Motors Acceptance Corporation agrees to cease advertising cheaper automobile coverage. Page 54

John F. Lydon, Ocean Accident, has been made chairman of the Bureau of Personal Accident & Health Underwriters. Page 42

Superintendent Pink of New York, in address before American Management Association, outlines views on motor vehicle liability. Page 35

Some comments are made on the 50th anniversary of George W. Blossom of Fred S. James & Co. of Chicago. Page 4

C. D. Minor of Royal-Liverpool group gives many pointers on sale of consequential loss coverages, at American Management Association's meeting. Page 3

Canadian fire and casualty writings on increase this year; 1936 figures for leading companies are tabulated. Page 54

Commissioner Neslen of Utah tells agents' convention at Ogden he is determined to establish department's authority in regulating business. Page 10

The Illinois insurance code passes to third reading and will come up for passage in the house in all probability Wednesday of next week. Page 11

Program for Pennsylvania Insurance Days at Pittsburgh June 3-5 is announced. Page 10

Arkansas Association of Insurance Agents holds annual meeting. Page 8

R. H. McLarry, president Dallas Insurance Agents Association, has been chosen as general chairman for the local convention arrangements at the annual meeting of the National Association of Insurance Agents in that city. Page 8

Inland Marine Underwriters Association holds annual meeting. Page 3

Supplemental coverage constructively criticized by Lyman M. Drake of Chicago at Illinois agents midyear meeting. Page 21

Insurance Director Ernest Palmer of Illinois, president National Association of Insurance Commissioners, is in a serious condition at Springfield, Ill., following an operation for appendicitis. Page 11

Insurance Advertising Conference annual meeting to be at Briarcliff Manor, N. Y., Sept. 12-14, is decided at mid-year gathering in New York. Page 11

Elaborate entertainment program for annual meeting of National Association of Insurance Commissioners in Philadelphia, announced by Secretary Jess G. Read. Page 19

Much discussion arose over address of J. R. Dumont, manager Interstate Underwriters Board at general agents meeting. Page 19

Superintendent Pink of New York has filed his third and final report on the conservation of the New York affairs of the International Reinsurance. Page 36

Anti-Salary Law of Georgia "Out"

Denies Stock Companies Equal Protection of the Laws, Says U. S. Supreme Court

FIVE TO FOUR DECISION

Minority Would Sustain Act as Legitimate Aid to Build up the Home Mutuals

WASHINGTON, D. C., May 26.—Discriminatory legislation enacted by the state of Georgia, prohibiting the licensing as resident agents of salaried employees of insurance companies writing fire or casualty insurance or surety bonds within the state, other than mutuals; while permitting the licensing of agents of mutual companies "however compensated," was held invalid by the Supreme Court Monday by a five-to-four decision.

The case was brought by the Hartford Steam Boiler, a Connecticut stock company, which claimed that enforcement of the statute would deprive them of the equal protection of the laws, contrary to the fourteenth amendment.

The trial court ruled that the act set up an arbitrary classification and held it unconstitutional, but was reversed by the state supreme court, which held there was no undue discrimination or other conflict with the federal constitution.

Admitting that the power of the state to classify for purposes of taxation is of wide range and flexibility, the majority opinion, delivered by Justice McReynolds, cautioned that "despite the broad range of the state's discretion it has a limit which must be maintained if the constitutional safeguard is not to be overthrown."

"Offend Common Sense"

"Discriminations are not to be supported by mere fanciful conjecture," he pointed out. "They cannot stand as reasonable if they offend the plain standards of common sense. In this instance the appellant company had been licensed to do business in the state and was entitled to equal protection in conducting that business. The answer of the insurance commissioner admitted that he was 'entirely satisfied as to the character, standing, responsibility, ability, and knowledge' of the proposed agent, and that the license was refused solely because he was a 'salaried' employee. It is plain that the requirement that the resident agents of stock companies should not work on a salary has no relation to economy or efficiency in management. The answer of the insurance commissioner states that all of the contracts of mutual fire and casualty insurance companies are 'negotiated by salaried employees' and that this method of doing business was adopted 'in order to reduce the expenses of operation and thus benefit the policyholders themselves.'"

No Relation to Differences

"It is idle to elaborate the differences between mutual and stock companies. These are manifest and admitted. But the statutory discrimination has no reasonable relation to these differences. We can discover no reasonable basis for permitting mutual insurance companies to act through salaried resident employees and exclude stock companies from the same privilege."

A dissenting opinion delivered by Justice Roberts, in which Justices Brandeis, Stone and Cardozo concurred, held the Georgia statute to be justified by the

(CONTINUED ON PAGE 21)

Solid Program at Illinois Meeting

Drake, Wade Fetzer, Jr., and Moser Star at Agents' Parley

W. H. STEWART PRESIDES

Banquet Speaker Convulses Audience by Describing Ideas of Uncle Rabinowitz in Insurance Code

By LEVERING CARTWRIGHT

A solid program of organization business in the morning, well prepared talks on current and stimulating topics in the afternoon and exceptional wit at the banquet in the evening was the mid-year meeting of the Illinois Association of Insurance Agents in Springfield, in tabloid.

At each session there was a star. In the morning it was Lyman M. Drake, in the afternoon Wade Fetzer, Jr., and in the evening Henry S. Moser.

Supplemental Contract

Mr. Drake presented a treatment of the supplemental contract. He got off his points, which seemed to coincide with the views of his audience, with humorous touches that made a hit. He is a partner in Critchell, Miller, Whitney & Barbour.

Mr. Fetzer's talk is likely to cause a good deal of introspection on the part of Illinois agents. He presented the results of the survey recently conducted by W. A. Alexander & Co., Chicago, of which he is vice-president, showing among other things that only a small percentage of the customers of that agency are insured with that office for more than one or two lines. That made a big impression upon his listeners and a good many of them made a resolution on the spot to make the same analysis of their business and then set about increasing the percentage. The figures given by Mr. Fetzer were presented in THE NATIONAL UNDERWRITER of May 6 in the report of the sales congress conducted by W. A. Alexander & Co.

Moser Sprang Surprise

Mr. Moser was a great surprise except to a few of his friends in the association ranks, who know him as a humorist. He is with the Chicago law firm of Sonnenschein, Berkson, Lautmann, Levinson & Morse. He is chairman of the insurance committee of the Illinois State Bar Association that had charge of preparing the draft of the Illinois insurance code bill. At the banquet, he convulsed the audience by presenting the fictitious appearance before the lawyers insurance committee of "Uncle Rabinowitz, proprietor of Lloyds Underwriters of Tel-Aviv, Palestine." Uncle Rabinowitz was called in to give the lawyers some practical slants on the insurance business. Uncle Rabinowitz was greatly concerned about the welfare of the (h) applicants. Mr. Moser worked in some clever satire as well as some pure humor.

Rockwood Hosmer of R. W. Hosmer & Co., Chicago, was in rare form as toastmaster. He and Thomas C. Keane, chairman of the senate insurance committee, staged a love feast. Mr. Keane has won the hearts of those who have been working for the passage of the Illinois code, none of whom has worked harder than Mr. Hosmer. Mr. Keane introduced the code in the senate and has stood out firmly against any amend-

(CONTINUED ON PAGE 55)

Many Factors Involved in Consequential Loss Coverage

C. D. Minor, secretary special service department Royal-Liverpool group, in addressing the American Management Association insurance conference divided consequential losses into four groups: (1) "Liability" losses, those involving expenditures on account of public or private obligations, such as legal or contractual liability; (2) those involving loss of property value, such as damage to property as a consequence of direct damage to other property; (3) those involving loss of business or earnings, through interruption of business, suspension of rental income, or loss of rental value, or cancellation of orders, prevention of potential profit or inability to collect bills receivable; and (4) those involving expenditures if continuity of business is to be preserved, such as continuation of service to customers during a period of impairment.

Mr. Minor mentioned in the first group non-ownership automobile liability and property damage coverage and particularly stressed the "attractive nuisance doctrine." He also pointed out every landlord, owner, tenant or lessee of property may be confronted with consequential loss arising even where there is no apparent negligence. Every contingency from which losses of such character might arise in connection with property should be surveyed by the insurance official of the business or by a competent insurance representative, he warned.

Long-Term Solvency Needed

Mr. Minor particularly emphasized insurance against liability for personal injuries unquestionably should be with an insurer whose solvency is likely to be unimpaired at least 21 years hence, so that recurring claims will be adequately covered—as when an individual injured during childhood reopens a case upon reaching his majority because he feels settlement made by his representative

when the claim first arose was inadequate. Other circumstances from which consequential losses may arise are liability of an owner of property for acts of a contractor or subcontractor; liability of a department store for acts of beauty-parlor operators and others leasing departments; liability of consignee or agent or guardian or other position of trust.

Following are some of the points which Mr. Minor particularly mentioned: Spoilage or deterioration of perishable meats, fruits and the likes due to impairment of refrigerating systems. Such losses occurring because of direct damage to the essential facilities are consequential losses and may as a rule be insured against. Zoning laws may entail expenditures over the amount recovered because conforming with the law may necessitate the new structure being made superior to the old. To guard against this zoning laws should be analyzed carefully.

Big Losses from Slight Damage

Loss of business earnings may result from even comparatively small damage, which may cause an interruption of days or even weeks. Earnings are cut off, but fixed charges continue in addition to which the owner is deprived of the net profit he would have made if the accident had not occurred. Business operations may be interrupted by abnormal labor conditions, strikes, riots and similar strife. Certain of these perils may be insured against without difficulty though such lines are usually confined to circumstances involving actual damage to property, or to loss of earnings based upon such damage.

Use and occupancy insurance is especially necessary where a business is making no net profit at the time, since such a business will probably not have built up a surplus account upon which to draw.

Western Official of the Hartford Fire Is Dead



WILLIAM C. BOORN

W. C. Boorn of Chicago, associate western general agent of the Hartford Fire, died suddenly while eating lunch at the Minnesota Club at St. Paul, Thursday of last week. He had gone to Minneapolis and joined State Agent Arthur Johnson there, visiting agencies in that city Monday and Tuesday. H. W. Donnan, superintendent of the special risk mill and elevator department in the

western office, accompanied Mr. Boorn to the Twin Cities. On Wednesday they went to St. Paul and Thursday morning Cecil Robertson, manager of the live stock department in South St. Paul, joined them. They returned to St. Paul as guests of Mr. Robertson at the club for lunch. At the conclusion of the luncheon Mr. Boorn collapsed and died immediately. He had had an impaired heart and favored himself as much as possible so as not to become exhausted or induce any strain.

Mr. Boorn was born at Kenosha, Wis., Aug. 30, 1863, and spent his early life at Peoria. His uncle was connected with the Orient and got Mr. Boorn a job as office boy in the western department at Chicago, Aug. 1, 1881. On May 1, 1888, he went with the western department of the London & Lancashire when J. S. Belden was manager. He became chief clerk and was Mr. Belden's chief lieutenant. On Jan. 1, 1902, he went with the western department of the Hartford Fire as assistant general agent and later became associate general agent.

He is survived by his wife and son, Philip, of Detroit, who has been special agent of the Hartford Fire in Wayne county for some time.

Mr. Boorn had a very keen musical appreciation. He studied music and sang much in days gone by in choruses. He played the piano and was the official piano player at the annual luncheons of the Knights of the Round Table of the Chicago Union League Club. He was artistic in his nature in many ways. He loved beautiful things and was especially interested in paintings.

Funeral services were held at St. Paul's Episcopal Church in Chicago Saturday.

I.M.U.A. Holds Its Annual Meeting

E. J. Perrin Named President; W. F. Boylan to Head the Executive Committee

LEWIS HITS TAXATION

Retiring Chairman Pleads for More Cooperation Between Various Classes of Underwriters

OFFICERS ELECTED

President—E. J. Perrin, vice-president Automobile of Hartford.

Vice-presidents—D. F. Cox, Appleton & Cox; L. C. Lewis, North America.

Executive Committee—W. F. Boylan, New York manager St. Paul Fire & Marine, committee chairman; J. C. Braielin, Travelers Fire; C. S. Timberlake, marine vice-president Hartford Fire; H. V. Smith, president Home of New York group, and O. C. Torrey, vice-president Marine Office of America.

At the annual meeting of the Inland Marine Underwriters Association in New York, L. C. Lewis, retiring chairman executive committee, pleaded for more cooperation from underwriters of other classes of business, and against the idea of taxing marine business as a means of transferring the burden of expense from one classification of coverage to another. This is not the attitude of senior fire executives, he said, and is a misconception of the true state of affairs.

The inland marine people are not prepared to help in any scheme to increase rates. Mr. Lewis said also that it had been intimated that if the I.M.U.A. does not accept rate regulation that insurance commissioners would force a general reduction in fire tariff rates. He said the commissioners should look at the published record of fire insurance over a reasonable period of years and see if a rate reduction can be justified. In a like manner the inland marine record cannot justify an increase, he declared.

Mystery of Coverage Dispelled

A major accomplishment of the association has been in dispelling the mystery about inland marine coverage. Many classes have been standardized, and inland marine is ready to take its place in multiple line underwriting, which Mr. Lewis said was coming. However, disorderly invasion by other interests of the inland marine field should be guarded against.

President J. C. Keegan said the association has had to watch carefully during the past year for attempts at legislation inimical to the inland marine business. One of the most important decisions of the association executives was authorization of five year policies on bridge schedules involving values of \$20,000,000 or more. There is very little sentiment for writing term policies, but the subject has been agitated since then and will have to be reconsidered, he said. He mentioned the I.M.U.A. extension of jurisdiction over the wool growers' floater field. In December and in April control was extended throughout the Rocky Mountain states, at the request of the Rocky Mountain Board of Fire Underwriters.

Another accomplishment was issuance of personal property floaters for a three year period at two and a half times the annual rate, thus opposing the previous

(CONTINUED ON PAGE 56)

Mr. Blossom's Meditations Facing a Lowering Sun

By C. M. CARTWRIGHT

All who had the opportunity the other evening of sitting at the banquet in Chicago in tribute to George W. Blossom, chairman of the board of Fred S. James & Co., who had rounded out 50 years of service with that organization as a partner, could not help but be deeply impressed with the philosophical observations that he made in responding to the sentiment of the hour. Mr. Blossom has reached a point where the shadows reach far toward the east as he is traveling toward life's afternoon. He will reach the ripe age of 83, Oct. 1, next. He started his career as office boy in 1870, when he was 15 years old, with the old Smith & Plaister agency of Dubuque, a city, by the way, which gave the late George F. Bissell, able western general agent of the Hartford Fire, to the fraternity.

Shifted to Chicago

He went to Chicago when he was 19 years of age, connecting with the western department of the then German American of which Judge Eugene Cary was manager, serving there for eight years and then transferred to the western department of the Connecticut Fire, when Abram Williams was manager, he serving as assistant manager. Fifty years ago he became a partner with Fred S. James in the well known Chicago agency. When Mr. Blossom went with the German American on Jan. 16, 1873, his salary was \$40 a month. Fred S. James & Co. not only acquired fame as one of the largest local agencies in Chicago but for many years Mr. James was western general agent and Mr. Blossom, assistant general agent of the old Washington Fire, which was taken over by the National of Hartford and then they occupied similar positions with that company. The firm branched out, established an office in New York City, became United States managers of the Urbaine, General Fire and Eagle Star. During these years Mr. Blossom has acquired a competence, became prominent in the business in many ways and following the death of Mr. James he became head of his organization.

Mr. Blossom's high reputation and conspicuous success did not come by chance or fate. There were reasons why he reached the ladder's highest rung.

Ardent Admirer of Mr. James

What are the reflections of a man of Mr. Blossom's type as he surveys the course over which he has traveled? In his talk he quoted the old Chinese proverb which reads, "Enjoy yourself. 'Tis later than you think." He referred to the two men who had had the greatest influence on him, they being Mr. James and Judge Cary. Mr. Blossom has felt all along that Mr. James in almost all particulars was the most versatile and wonderful character with which he ever came in contact.

In later years Mr. Blossom has gradually released his hold on the reins of his business but has kept an enthusiastic interest in it. He stated to those at the banquet that it is a mistake for a man well along in years to maintain the direction and control of his organization. It is an impediment to progress, he said. A man growing old and keeping a firm hand on his organization, Mr. Blossom said, acts too conservatively and says "No" too often. He soon dampens the ambition of young men. This, he declares, is a handicap to the younger ones. It throws cold water on what they are doing and chills initiative. Therefore Mr. Blossom resolved to relinquish direct control. New and younger men were brought into the organization.

"These younger men make mistakes," said Mr. Blossom, "but let them do it.

That is the way they learn. A man who has the real stuff in him is not likely to make the same mistake a second time. It is these mistakes that build up a splendid experience." Every organization, he added, should not let the springs dry up. In other words, there should be new and young blood infused in it. There needs to be coming on all the time young men robust and vigorous.

Mr. Blossom, in speaking of the relationship of his office to its companies, said that it had been all along its well defined policy to make money for the companies. Unless this be the result, he declared, the firm itself will make no money.

Has Pursued a Consistent Course

Mr. Blossom during his career has followed orderly processes, he has done his work systematically and logically. He has had a regular program. He lives a good part of the year now at his home in Pasadena. He added that he played some golf, some bridge, drove about some but he said, "I still wind the clock every Saturday."

Mr. Blossom has led a life of industry. He has seen geniuses come and go, plungers and promoters fall by the wayside. He recalls as a boy in the old Dubuque agency that J. B. Bennett, then western general agent of the Aetna Fire, appeared at the office at 8 o'clock one morning and asked to see the register. When he had inspected the book he turned to young Blossom and said, "Whenever anyone else comes in and asks to see the Aetna register, don't permit it." Mr. Blossom remarked, "No official or manager of this day would appear at a local agency office at 8 o'clock in the morning."

Gentle Art of Growing Old

Mr. Blossom, in closing his very interesting observations, summarized his thoughts saying, "Youth after all is not a matter of mere years but it is a state of mind. The advancing years should be accepted philosophically. One should take life and conditions as they are and with a reasonable amount of hope, courage and faith we can always be young."

I have always felt that Fred S. James and George W. Blossom made as splendid a team as one could find in insurance. They were men of decidedly different temperaments. Their intellectual, emotional and physical endowments were at antipodes. Mr. James was the business producer, warm hearted, generous, aggressive, somewhat impulsive. He formed many contacts of value and yet had little inclination for assimilating business or handling details. Mr. Blossom, on the other hand, was reserved, sagacious, orderly, systematic, a master in handling details and office machinery. He has a keen penetrating mind. Mr. Blossom would take the business that Mr. James brought in, whip it into shape, iron out all the kinks and get it ready for grist in the mill. Because these men were opposites in so many ways, they dovetailed into each other and made one of the most able, successful, formidable partnerships in the west.

Three Incidents Related

There were three incidents in Mr. Blossom's career that had a very profound influence on me and became a part of the very fabric of my being. Mr. Blossom will not recall them.

We were giving in days gone by a dinner at the Union League Club in Chicago in honor of the late President C. W. Higley, of the Hanover, who had come down from Minnesota and the northwest to become assistant manager of the western department of his

(CONTINUED ON PAGE 43)

Purifoy Heads Arkansas Association of Agents



G. S. PURIFOY

G. S. Purifoy was elected president of the Arkansas Association of Insurance Agents at the annual convention held in Hot Springs. He is a member of Purifoy and Stern Insurers, and was formerly a member of the United Agents, having been in the business for the past 10 years at Camden, Ark.

Two Aberdeen, S. D., Men Die

W. I. Rowe, State Agent North British Fleet, R. L. Hill, Local Agent, Succumb Same Day

Death took two prominent Aberdeen, S. D., insurance men May 23. W. I. Rowe, 45, state agent North British & Mercantile fleet, and R. L. Hill, 57, general agent St. Paul Fire & Marine, the U. S. Fidelity & Guaranty, and Hartford Fire as well as a number of other companies.

Mr. Rowe, "Bill" to hundreds of friends throughout North and South Dakota, died unexpectedly of a heart attack after he had been thought responding to medical treatment for high blood pressure. He was past commander of the 14th district of the American Legion and past most loyal gander of the Dakota Blue Goose. He started his insurance career in Chicago in 1923.

Death of Mr. Hill was equally unexpected. He had been ill but one day with pneumonia. He was prominent in lodge affairs.

Raise Car Collision Rates in West, South and Far West

Directors of the National Automobile Underwriters Association at their meeting in New York approved recommended changes in collision rates in the western, southern and Pacific coast jurisdictions; similar action will be taken for the eastern territory shortly. In the light of the high general loss experience had by carriers with collision covers, revised rates will be somewhat higher than those now used.

Fire and theft rates, also passed upon, reflect but slight changes. The new tariffs will become effective June 15.

It is expected that the headquarters hotel will be announced at an early date.

C. A. Nottingham, deputy United States manager Royal-Liverpool group, and C. C. Hannah, eastern manager Fireman's Fund, were reelected President and vice-president respectively, M. F. Beyer, vice-president Home, being chosen secretary. In addition the

Commission Control Effort Live Issue

New York Agents Expect Department Again to Seek Passage of Measure

DETERMINED OPPOSITION

Stand of Buffalo Agents Clearly Set Forth by President Olson in Annual Report

NEW YORK, May 26.—So vigorous was opposition encountered by the bill before the recent session of the legislature authorizing the department to determine commissions in connection with fire rates, that the measure failed to pass. Sponsored by the department largely in the belief that excessive commissions were being paid by some companies in Rochester, the issue is expected to come to the fore again next year as a provision in the proposed insurance code revision.

Agents individually and collectively through their state association determinedly opposed the bill on the ground that it infringed upon the right of freedom of contract. Since the question undoubtedly will become a live issue again next year, the stand of the Buffalo Association of Fire Underwriters, compact, influential organization, is of interest.

Buffalo Agents' Position

President J. C. Olson in his annual report stated: "This amounts to state regulation of commissions, and involves a principle to which we should not subscribe. In this connection, however, it should be clearly realized that legislation of this type occurs as a general proposition only where there is an unhealthy condition which the parties at interest either cannot or will not, rectify. If there is fairness and equity in our company commission arrangements, they can and should be defended, and because in our business we stand in a position of responsibility to the public there should be no element of selfishness or personal greed in our operating principles."

"In our standardized Buffalo agency agreement we have an expressed basis for our relations with our companies which has been mutually satisfactory for a number of years, and which has not involved a rate of commission that can fairly be regarded as excessive. We have been asked by a representative of certain companies to back them in their fight against this particular piece of legislation and because this same group of companies has been consistently and continually trying to break down our association rules by the appointment of agencies in excess of those specified in our limitation rule, and by proffering and paying commissions in excess of those specified in our agreement, we have openly and frankly refused to cooperate with them until their practices are more closely in line with the standards and principles of this association."

board consists of: L. E. Falls, vice-president American of Newark; G. C. Long, president Phoenix of Hartford; Esmond Ewing, vice-president Travelers Fire; Sheldon Catlin, vice-president North America; William Deans, Selbach & Deans, San Francisco; E. M. Ransom, assistant manager Commercial Union, Atlanta; J. C. Harding, executive vice-president Springfield Fire & Marine, Chicago, and C. E. Case, assistant United States manager North British & Mercantile.

Vacation time brings an increase in unwelcome visitors to untenanted homes. Protect your clients with an F. & C. Residence Burglary Policy.

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

Strong Position Is Taken in Resolutions Adopted

Vigorous stand on several matters was taken in resolutions adopted by the New York State Association of Local Agents. The resolutions were presented by F. L. Gardner, Sr., of Poughkeepsie. The resolutions were:

RESOLVED: That the New York State Association of Local Agents is opposed to legislation delegating to a rating organization or a state department powers that would interfere with the free right of contract between companies and agents. It is an established principle of this association that the payment and acceptance of commissions in excess of the rate that can be amply justified to the public, endangers the permanency of the agency system, and be it further resolved, that it is our earnest belief that the companies and agents have ample ability to arrive at the correct solution of this problem and benefit the public more than arbitrary legislation.

Oppose Buyers Cooperatives

RESOLVED: That the New York State Association of Local Agents condemns the un-American system of buyer's cooperatives. That system strikes directly at the creation of new value and resources through the profit principle, thus reducing employment among the greater body of the people. Its widespread adoption would destroy our political economy, eliminate private initiative, discourage capital investment and lower the American standard of living.

RESOLVED: That the New York State Association of Local Agents call upon all stock companies, both fire and casualty, to refuse to be represented by or to accept insurance from any agent who represents a mutual company, and to further aid in combating mutual compe-

tion by refusing to accept reinsurance from or cede reinsurance to any mutual company.

RESOLVED: That a special committee of the New York State Association be appointed to take up with stock casualty companies the creation of the same service as the Business Development Office of the stock fire insurance companies.

Farm Underwriting and Legislative Sessions Held

SYRACUSE, May 26.—Fred Marshall, East Aurora, chairman, farm underwriting committee reviewed the farm premiums and losses for the ten years ending in 1935. The loss ratio in the last of those years, 1935, on premiums of \$1,516,991 was 68 percent. Mr. Marshall said, "The 1936 results are not yet available but reports from the larger farm writing companies indicate a loss ratio of 90 percent. Add to this an expense ratio of 40 percent and you will find that companies generally are still losing money."

"Not all are, however, as a very few of them are underwriting this class and apparently are breaking even. To prove my point, here is a very interesting fact—in 1934, Class D rates were increased on three-year policies in class I counties on dwellings 25 percent and barns about 47 percent. Yet the results of the 1935 record show a premium of \$1,482,016 with a loss ratio of 69 percent on this class against the farm loss ratio for the same period of 68 percent."

"Companies generally consider Class D a fairly good type of business, and

write rather generously, consequently there is practically no underwriting, if any, and many careless farm writing agents write farms on Class D forms, thereby saving the diagram and inspection report (and sometimes tenant rates) which should naturally be employed. It would seem that this practice is unfair and discriminating, not only to many assured, but to companies and agents as well. With the establishment of numerous new Class C territories, the same agents undoubtedly will write farms on Class C rates and again more unfair practice."

At the joint meeting of the board of directors with representatives of local bodies Monday morning preceding the convention session itself, R. M. L. Carson, Glens Falls, reported that he expected Governor Herbert Lehman to sign a teachers' liability bill now on his desk. A similar bill applying to New York City alone has already been approved by the governor.

The bill makes it the duty of school boards to arrange to save harmless teachers or school administrators, when acting in performance of their duties, against financial damages due to bodily injury. The bill, if signed, will become a law July 1. Its chief effect, it is believed, will be to provide teachers with legal defense without personal cost since seldom are judgments obtained against teachers when sued for results of negligence in performance of their duties. Mr. Carson is chairman of the insurance committee of the New York school boards' association.

Local Board Activities

Among those who reported on local board activities were Richard Cary, Niagara Falls; John C. Olson, Buffalo; Fred Marshall, East Aurora; Theodore Rogers, Little Falls; R. E. Thompson, Valley Stream; Robert MacKenzie for Westchester county; Robert J. Toedt, New Rochelle; Joseph Miller, Utica; Stanley Jarvis, New York; Louis Hawes, Rochester; Carl Young, Syracuse.

During the year the Rochester Board voted to exclude from membership any agencies representing or placing business with mutuals. Most of the companies are not appointing any agency there violating this rule. The board lost four members but retained 50 of 65 important agencies and represents 85 percent of the Rochester premium volume.

William G. Tryon, Auburn, reported one stock company discovered as writing business under three plans, a cash premium plan, a pure assessment plan and a premium liability plan. He introduced a resolution which would call for providing information to agents on violation of practices approved by agents.

Competition Given Exhaustive Study

Follet Greeno Reports Intensive Business Development Plans Taking Shape

W. OWEN WILSON IN TALK

Threat of State Control of Agency Commissions Unalterably Opposed by Locals

SYRACUSE, May 26.—The convention was almost an hour behind scheduled time when opened by President Roe who at once called upon Follet Greeno, chairman joint Business Development office committee, to give his report. The committee expects to subdivide some of the present districts and to have a small steering committee to guide the organization and educational efforts. When Mr. Greeno asked how many agents had received the Business Development office "Book of Facts," nearly all said they had received it. But only three hands responded to an inquiry as to knowledge of the Dauwalter formula. Mr. Greeno urged aggressive action to return mutual risks to the stock companies.

President Roe digressed from his annual report to pay tribute to Edward Arnold of Brooklyn, who died of a heart attack while opposing the commission control bill at the legislative hearing in Albany.

Companies Not Unified

On the subject of this bill, Mr. Roe said it was significant that there was no unified company aid in fighting that bill. Should it be introduced next year, he urged agents to be ready to call for an amendment which would bring company expenses and their allocation also under control of the insurance department. On the whole bill he advocated unalterable opposition. Mr. Roe's address was a comprehensive and critical review of the many problems now confronting agents.

From now on, said W. Owen Wilson, president National Association of Insurance Agents, stated agents should talk

(CONTINUED ON LAST PAGE)

Congratulations!

To the members of the New York State Association of Local Agents, we, the agent-directors of the Excelsior Insurance Company, extend hearty congratulations on your outstanding convention just held in Syracuse.

We were glad to share with the Syracuse Underwriters' Exchange the pleasure of being your hosts, and look forward to seeing you again next year.

Edwin J. Cole, Fall River, Mass.
Chairman of the Board

Austin B. Carpenter, Cazenovia, N. Y.
Harry L. Godshall, Atlantic City, N. J.
Follett L. Greeno, Rochester, N. Y.
John E. Greenwood, Warren, Ohio
John D. Henderson, Herkimer, N. Y.
William G. Hartzig, Morristown, N. J.

Cory C. Nicholson, Decatur, Ill.
Donald G. North, New Haven, Conn.
Walter C. North, Bridgeport, Conn.
Francis P. O'Connor, Lima, Ohio
Laurence B. Starr, Meadville, Pa.
Charles H. Watkins, Boston, Mass.

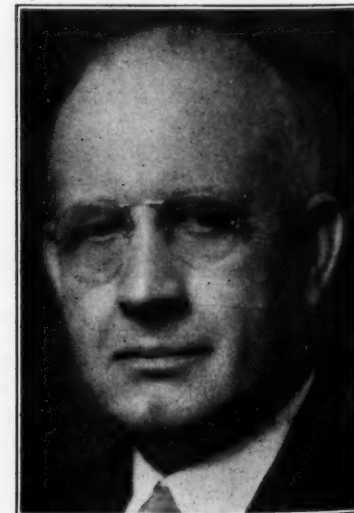
AGENT-DIRECTORS

EXCELSIOR INSURANCE CO. of N.Y.
SYRACUSE, NEW YORK

New York Convention Leaders



JOHN J. ROE, JR., Patchogue, N. Y.
President



J. W. ROSE, Buffalo
Secretary

AMERICAN STATES



Congratulations

AGENT

T.V. KOONTZ

OF MONTICELLO, IND.

FOR *financing* **NEW CARS** *himself*



If you are not already one of our two thousand agents in Indiana, Ohio, Illinois, Michigan, Pennsylvania, New Jersey, Delaware, Maryland, the District of Columbia, Kentucky, Iowa, or Tennessee . . . write or wire our home office regarding agency connections. . . .

By using our practical, low-cost automobile finance plan, Agent Koontz, too, has solved his problem of protecting that "important two-thirds" . . . fire, theft, collision, and comprehensive premiums formerly lost when policyholders purchased new cars. T. V. Koontz has chalked up 22 new car finance deals, with total contracts of \$11,628.50 in the few months the plan has been available . . . and he has done this in an Indiana town of less than 3,000 population. From small towns and large . . . from small agencies and large . . . all these glowing reports show ONE thing . . . the Automobile Investment Corporation Plan, for American States Agents exclusively, is proving its value, effectiveness, and public acceptance by its record. It reads well on paper . . . but better still, it is **WORKING WELL IN PRACTICE!**

AMERICAN STATES INSURANCE COMPANY

Home Office • Indianapolis, Indiana

DUDLEY R. GALLAHUE, President

EDWARD F. GALLAHUE, Sec'y-Treas.

Mississippi's Insurance Agents Meet at Gulfport

HIT LIMITS ON WIND COVERS

Organization Asks Removal of \$25 Clause in Windstorm Policies; W. H. Bennett on the Program

OFFICERS ELECTED

President—W. C. Collins, Hattiesburg.
Vice-president—Warner Wells, Greenwood.
Secretary-treasurer—Wirt Yerger, Jackson (reelected).
Directors—H. E. Walton, Ruleville; Fred Moran, Ocean Springs; Frank Ranson, Aberdeen; Frank Montague, Hattiesburg; John Robinson, Jackson; Lee Cossar, Leland; W. F. Boone, Pontotoc, and W. J. Byrne, Natchez.
National councillor—O. T. Palmer, Gulfport (reelected).

The Mississippi Association of Insurance Agents annual convention at Gulfport drew attendance of 300. O. T. Palmer of that city making arrangements. Biloxi and Meridian bid for the 1938 meeting. Louisiana and Mississippi Blue Goose also met.

Included in resolutions passed was a request to the companies to eliminate the \$25 limitation clause in all tornado contracts. A resolution was passed approving uniform report of loss, proofs of loss, lost policy release, and cancellation notices.

The association went on record as continuing the present plan of regional meetings. A co-operative plan for newspaper advertising followed by the Mississippi Coast Underwriters was explained by Warren Jackson, Gulfport, and the convention expressed approval of this method of acquainting the public with facts of fire and tornado insurance.

The program was featured by addresses by speakers in varied fields. L. E. Fallis, vice-president American of Newark, a native of West Point, Miss., who was making his first visit to the state in 35 years, spoke on "The Power of Agency." He pointed out that to very few individuals is given the unlimited power to bind their principals in any amount, and showed the need for careful consideration on the part of the agent before such contracts are made. He discussed value of insurance to the credit stability of the country, where no loan can be made without insurance protection.

Bennett's Talk a Highlight

"The Breakers Ahead" was the subject of an address by W. H. Bennett, New York, general counsel National association, who explained value of the organization in meeting the dangers, financial and otherwise crucial from the business viewpoint, in the immediate future.

A paper written by B. K. Clapp, Atlanta, southeastern department Fire Companies Adjustment Bureau, was read by A. D. McBryde, manager Mississippi department. Mr. Clapp was unable to attend because of a call to jury duty in Atlanta. W. W. Sampson, manager Mississippi State Rating Bureau, Jackson, told of work of his organization. F. C. Wendt, Atlanta, First Banc-credit Corporation, discussed the deferred payment plan of insurance premium payments.

Commissioner Williams, a prominent figure at the convention, discussed matters from his office of interest to agents.

The Business Development program was the subject of the talk by W. L. Faulk, superintendent brokerage department Liverpool & London & Globe, New York, outlining methods to be used by agents in presenting to the public information given to them.

J. W. Robertson, Home Owners Loan

(CONTINUED ON PAGE 56)

McLarry Named as General Chairman for Dallas Rally

PREPARE FOR BIG CONVENTION

Committee Chairmen Announced for Annual Meeting of National Association of Insurance Agents

In preparation for the annual meeting of the National Association of Insurance Agents to be held in Dallas, the week of Oct. 4, the Dallas Insurance Agents Association has announced its



RICHARD H. McLARRY

committee chairmen with its president, R. H. McLarry, as general chairman.

Following is a list of the committee chairmen who will be in charge of the local arrangements: Entertainment: Jay R. Smith; treasurer and purchasing agent: John A. Barr; publicity: Alfonso Johnson; registration: J. W. Lindsley; program: Paul Kirkpatrick; information: F. J. Bray; hotel: C. R. Tucker; finance: E. C. Gambrell; transportation: Wm. J. Reilly; golf: C. M. Markham; reception: J. C. McClure; co-operative: Cruger T. Smith; ladies: Mrs. A. R. Andrews; insurance commissioners: A. R. Andrews.

The insurance commissioners committee, under chairmanship of Mr. Andrews, is an innovation. Its chief duty will be to entertain all visiting insurance supervisors and serving as ex officio members are the three Texas insurance commissioners, Chairman R. L. Daniel, life insurance commissioner; R. G. Waters, casualty commissioner; Marvin Hall, fire commissioner.

Senate Bills Recommended

SPRINGFIELD, ILL., May 26.—The senate insurance committee reported out with a recommendation that they do pass Senate Bills 386 and 387. They exclude from insurance policies clauses which exempt payment for injuries suffered from illegal acts, if the illegal acts are not responsible for the injuries.

Senator Keane, chairman senate insurance committee, said it is likely the senate next week will vote on S. B. 467. It permits writing of depreciation insurance on buildings, machinery and other equipment.

The house insurance committee has reported out favorably House Bill 873. It forbids two or more insurance companies from writing the same class of risks to conspire or induce any agent of two or more such companies to refrain from representing other companies. It also forbids any agent representing two or more such companies to agree with one or more of the same not to represent any other.

O. W. Raynum, former South St. Paul banker, has opened an agency in the Pioneer building, St. Paul.

Arkansas Agents Convene; Elect Purifoy President

LISCOMB ON THE PROGRAM

State Fire Marshal Tells of Drive on Arsonists; Beling and Rosen Are Speakers

OFFICERS ELECTED

President—C. S. Purifoy, Camden.
Vice-president—L. H. Derby, Warren.
Secretary—C. C. Mitchener, Marianna (reelected).
Manager—L. R. Martin, Pocahontas (reelected).

HOT SPRINGS, May 26.—Outstanding on the program of the Arkansas Association of Insurance Agents annual meeting was the talk by C. F. Liscomb, Duluth, Minn., National association executive committee member, and Louis Rosen, Little Rock, retiring president of the Arkansas body. Several other nationally known insurance people spoke.

Total attendance was 218. The convention, which lasted two days, was one of complete harmony and members found affairs moving along so favorably that not much of importance was transacted. Resolutions were limited to usual expressions of appreciation.

Mr. Liscomb urged more modern automobile insurance coverage in addition to reviewing the affairs of the National association. Mr. Rosen in his report as president urged local agents to patronize the premium finance companies closer to home. He condemned operations of some of the nationally operated finance organizations.

Discusses Reciprocal Problem

One of the major problems now facing the Arkansas agents is competition of reciprocal concerns in the long haul truck and bus business. He listed the Arkansas premium income of reciprocals in this classification as \$450,000 annually and declared methods of meeting this competition should be considered by the incoming administration.

Mr. Rosen complimented service of the Business Development work but described it as being "black and white and red" all over—cover only. He expressed hope that individual agents would take more active interest in the reports from the office and that the same service would be extended to the casualty and surety lines.

Drive on Arsonists

Guy Williams, state fire marshal, represented Commissioner Harrison, who was unable to attend. Mr. Williams outlined the campaign now under way in Arkansas against arsonists and declared that during the last year he has investigated 30 different cases and his office now has six persons under indictment with good chances of sending five of them to the penitentiary.

O. W. Beling, Royal-Liverpool group, New York, expert on agency accounting practices, declared he has found widespread lack of coordination in office practices by local agents. He urged centralization of the mechanical operations and that production should be departmentalized.

J. W. Ricks, state agent North British & Mercantile, extended greetings from the field men. J. K. Shappard, general agent, delivered the invocation because of illness of Rev. C. F. Collins who has filled this position for many years past for the association.

Committee Reports

Mr. Mitchener reported the association as being in good financial condition with a cash balance on hand. Membership now totals 208. Mr. Martin made his report as manager and J. Foy Donham as chairman of the conference committee at the executive session.

(CONTINUED ON PAGE 56)

Sparks from the Illinois Agents' Mid-year Parley

At the mid-year meeting of the Illinois Association of Insurance Agents in Springfield, President W. Herbert Stewart appointed as members of the resolutions committee: Frank Smith of Urbana, chairman; Allan I. Wolff of Chicago and J. Edward Martin of Peoria.

* * *

A new crew was on hand to act as hosts at the Home of New York headquarters. William Quaid, vice-president, and C. Arthur Borg, advertising manager, who have been hosts in the past, were at the Mississippi meeting. The alternates were Assistant Secretary David H. Moore of the National Liberty and R. E. Minner, supervisor in the eastern department of National Liberty. It was "Old Home Week" for Mr. Minner as he was formerly in the Illinois field and was most popular. Max E. Freiburg of the Miller, Castle & Freiburg agency of Quincy gave a party for Mr. Minner the evening before the convention.

* * *

There was some grumbling on the part of field men because the meeting was held on Friday. They like to get back to their headquarters cities Friday afternoon and their choice of a day is Wednesday or Thursday.

* * *

Despite the fact that it was a very sultry day in Springfield and the meeting room was poorly ventilated, the members attended the sessions faithfully. Had the program been less stimulating, the members might have been tempted to stray away to the air-conditioned taverns.

* * *

E. W. Hotchkiss, western manager of the Royal-Liverpool group, made the trip to Springfield from New York. E. A. Henne, vice-president and western manager of the America Fore, and Clyde Edmonson, agency superintendent, attended the banquet. J. J. Ferguson, general agent of the Fireman's Fund at Chicago, was on hand.

* * *

Among those at the head table at the banquet were Wallace Rodgers, assistant manager Western Underwriters Association; W. C. Eaton, head underwriter of the Zurich; Roy L. Davis, assistant insurance director; W. H. Hansmann, vice-president Fidelity & Deposit, and head of the Illinois Insurance Federation; C. M. Hayden, vice-president Glens Falls and president Chicago Board; Alvin S. Keys, prominent local agent of Springfield; Frank L. Erion, prominent independent adjuster of Chicago, and S. E. Moisant of Kankakee, secretary Illinois association.

* * *

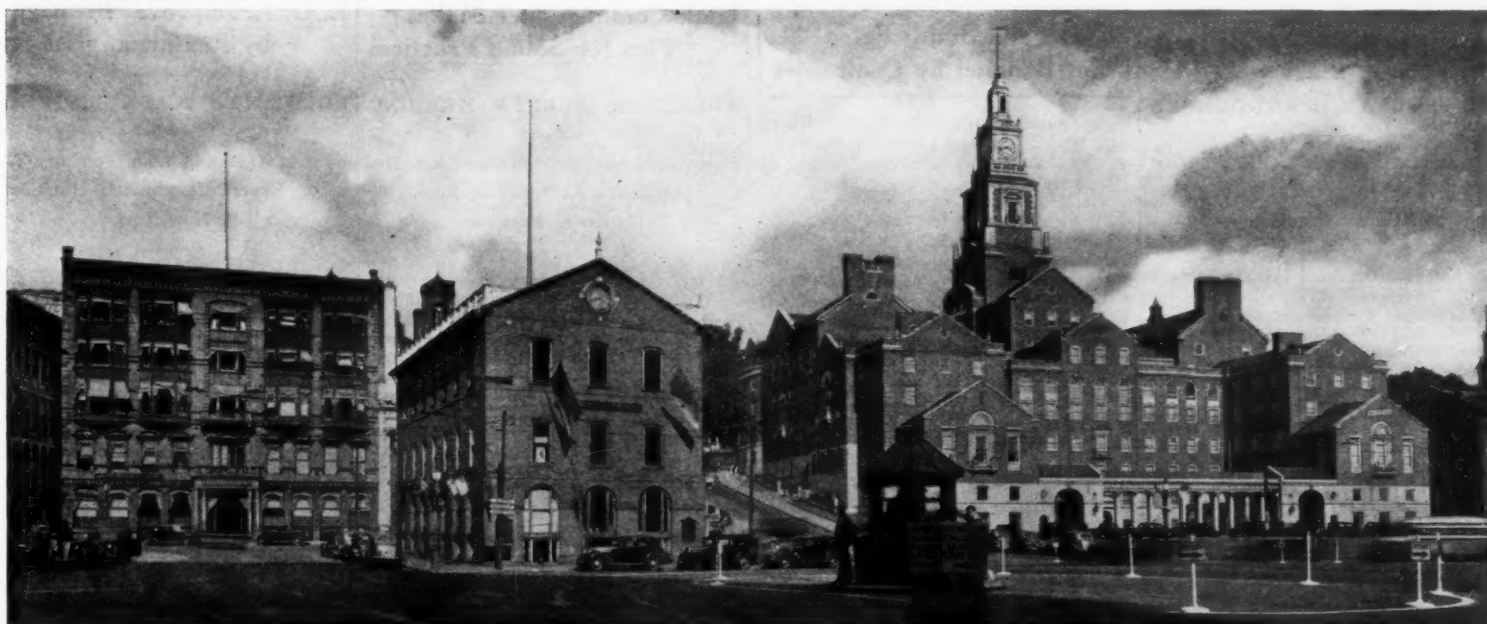
Local Agent John C. Lauphler, Jr., of Springfield, got a spirited discussion going in one of the rooms when he asked each one present to answer the question whether he prefers to get from his companies sales service or engineering service. There was a variety of answers, but most of those responding indicated they preferred to have engineering service and to handle the sales strategy themselves.

* * *

A good many casualty company people from Chicago were on hand, including J. P. Keevers, resident vice-president. William Browne, production manager Maryland Casualty; B. J. Nietschmann, manager National Surety, who added to the occasion by bringing his harp to the party; Lloyd Conochie, manager Central Surety; V. H. Bartholomew, manager Standard Accident, and J. I. Johnston, bond manager Aetna Casualty.

Wallace Assigned to Buffalo

Manager F. W. Koeckert of the Commercial Union announces the opening of a new service office for all risk and inland marine business under the direction of M. F. Wallace at the office of the company, 20 Main street, Buffalo, servicing the New York and western Pennsylvania, including Pittsburgh. Mr. Wallace has been in the employ of the company for eight years and he has received an intensive training in the fire, general cover, and all risk departments.



Home Office Building
Providence Washington
Insurance Company

Chamber of Commerce Building
(Dating from Revolutionary War)

Providence County Court House

THE Providence Washington has always been associated with the history of the city of Providence and the company has grown as the city itself has—conservatively, solidly and steadily. Insurance men, when they think of the city of Providence, naturally think of the Providence Washington, not only because of the name, but because it is an outstanding institution of Providence.

Today the company is operating through more than 5,000 agents in every state in the Union, in all of the United States territories except Puerto Rico and the Philippines, in Canada, and has agencies in the principal ports and countries of the world. It is a strong institution that stands high in the insurance world and has served with conspicuous honor through all the conflagrations and other difficulties experienced in this country.

If you are interested in a company of this type write for agency information.

These companies write the following classes of Insurance:

FIRE—TORNADO—OCEAN and INLAND MARINE and their allied lines—AUTOMOBILE—
FIRE, THEFT and COLLISION

PROVIDENCE WASHINGTON
INSURANCE COMPANY OF PROVIDENCE, RHODE ISLAND
INCORPORATED 1799 ★ CAPITAL \$3,000,000.00

ANCHOR INSURANCE COMPANY
Incorporated 1928 ★ PROVIDENCE, RHODE ISLAND ★ Capital \$1,000,000.00

Preparations Are Complete for 1937 Pennsylvania Days

FINE PROGRAM IS ANNOUNCED

Well Balanced Series of Educational and Sales Addresses, Special Events Arranged

Advance registrations for 1937 Pennsylvania Insurance Days, sponsored by the Insurance Federation of Pennsylvania, to be held at the William Penn Hotel, Pittsburgh, June 3-5, indicate attendance will be the largest in the federation's history.

The program, embodying an equal proportion of educational and sales talks, together with discussions of topics of vital importance, has been completed and is an outstanding one.

Several Special Events

Special events—the parade and fire-fighting demonstration the evening of June 3 and the safety-first demonstration at noon June 4—promise to be of exceptional interest. Some 2,000 firemen, with a dozen bands and drum corps and 40 pieces of fire apparatus will take part in the parade.

"Deborah Franklin," official hostess, will be 19-year-old Evelyn Edstrom of Pittsburgh, who was selected as best representing the wife of Benjamin Franklin. She is employed by the F. J. Olive Agency, Pittsburgh.

The program is:

Thursday, June 3

10 a. m.—Deborah Franklin arrives in Pittsburgh.

12:30 p. m.—Conservation of life and property luncheon. Opened by J. N. Jamison, general convention chairman. Address of welcome by Mayor Scully of Pittsburgh. Response by H. S. Rich, Jr., Marietta, Pa.

Chairman—Director of Public Safety Fairley, Pittsburgh.

Conservation of Life—Secretary of Revenue J. B. Kelley.

Conservation of property—T. A. Fleming, supervisor conservation department, National Board, New York.

7 p. m.—Firemen's parade through triangle, followed by fire fighting demonstration with reenactment of burning Fort Dequesne by French and Indians on Monongahela wharf.

Friday, June 4

Fire and Casualty Conference

10:30 a. m.—F. S. Kauffman, manager Pittsburgh office Travelers, chairman.

Address by Commissioner O. B. Hunt of Pennsylvania.

Inland Marine Insurance—A. W. Bar-

Kurth and Smith Feted at Banquet by Companies

An honorary dinner to Wilfred Kurth and H. V. Smith, respectively chairman of the board and president Home of New York group, was given in New York Wednesday, sponsored by executives of the associated companies. Attendants at the affair in addition to the entire executive staff, included all departmental heads and supervisors; nearly 100 in all. Vice-president R. F. Van Vranken acted as toastmaster, while congratulatory talks were made in turn by former board chairman C. L. Tyner, former senior Vice-president F. E. Burke, Vice-presidents W. F. Beyer, Ivan Escott, J. A. Forrestel, William Quaid, and Secretary J. S. Love, of the Home Indemnity.

Each honor guest was presented an embossed set of resolutions, signed by dinner guests, and in addition a large silver platter, upon the border of which was reproduced in novel design signatures of the dinner attendant.

thelmes, marine secretary National Union, Pittsburgh.

How I Sell My Clients the Insurance They Should Buy, by E. W. Dart of Schiff, Terhune & Co., New York.

2 p. m.—T. B. Donaldson, vice-president Eagle Fire, Newark, chairman.

What's in the Policy—F. L. Madden, policy analyzer, Pennsylvania Insurance department.

Compulsory Automobile Insurance vs. Financial Responsibility, by H. M. Starling, Washington correspondent Association of Casualty & Surety Executives.

Accident and Health Conference

10:30 a. m.—Elmer R. Deaver, president Progressive Life, Health & Accident, Philadelphia, chairman.

The Medical Division and How It Functions, by Dr. G. A. Enion, chief medical examiner Industrial Life, Philadelphia.

Sales Promotion, by W. S. Corey, vice-president Provident Industrial Life, Health & Accident, Philadelphia.

Company Cooperation With Agency Force, by Albert Ries, secretary Philadelphia Mutual Aid Society, Philadelphia.

Arkansas Men Retiring

Two old timers in the Arkansas Fire Prevention Bureau are retiring and a committee consisting of C. B. Campbell, Springfield F. & M.; J. K. Shepherd, Little Rock general agent, and John W. Ricks, Arkansas state agent North British & Mercantile, have adopted resolutions in tribute to them, they being W. F. Richardson and H. B. Savage.

Utah Commissioner Makes Plea for Sound Practices

ADDRESSES AGENTS' MEETING

Determined to Establish Insurance De- partment's Authority in Reg- ulation of Business

OGDEN, UTAH, May 26.—Making a plea for sound underwriting and rating principles Commissioner Neslen of Utah told the Utah Fire & Casualty Insurers' Association at the semi-annual convention here that he intended to find out just what powers the commissioner has, and a company whose name he did not disclose was being called on to show why its Utah license should not be revoked.

President T. W. Muir introduced Mayor Peery of Ogden, who extended welcome. He formerly was an insurance man.

President Muir noted a recent tendency to introduce bills unfavorable to the business. "Two years ago the agents defeated two bills which would have forced them out of the workmen's compensation business, he said. There were several inimical bills in the last legislature especially the compulsory automobile insurance measure and a valued property bill, which were defeated.

Insurance Research Plan

President Muir announced the decision to appoint an insurance legislative research committee for Utah, which would consist of H. A. Snow, Ed. D. Smith & Sons, Salt Lake, chairman; C. E. Raybould, also of Ed. D. Smith & Sons, and F. A. Moreton, manager J. B. Moreton Company, Salt Lake. It is hoped the committee will be able to evolve a constructive suggestion in regard to fire rates. The situation has improved materially as a result of setting up the rate bureau, Mr. Muir said.

Mr. Muir said it may be necessary to set up a division of associate members. Secretary-Treasurer W. M. Anderson reported the association in sound financial condition.

Commissioner Neslen Talks

Commissioner Neslen said, "I believe as the result of the sales experience I have had in different lines, that if we will use more simple language and not take it for granted that the prospect or the assured knows the terms we use in the business it will be better for all concerned." He said this applied especially to life insurance, but also to fire and

(CONTINUED ON PAGE 56)

E. U. A. Improves Prestige by Reaffirming Its Rule

ROCHESTER SCALE SUSTAINED

Eyes of Agents in Wide Territory Were on Excess Commission Situation in New York

NEW YORK, May 26.—In reaffirming its commission scale for Rochester as was done emphatically at its last general meeting, the Eastern Underwriters Association materially enhanced its standing. The Rochester situation, which had been disturbing for months, was being closely watched by agents in other centers, and had there been any disposition of the company executives to recede from the position initially taken with regard to excess commissions, prestige would have suffered considerably. Some managers felt the very existence of the organization might have been jeopardized.

By virtue of the joint conference of representatives of leading affiliated and non-affiliated companies, complete accord was reached. Both interests appreciate the menace to the business that would result from collapse of the E. U. A. and return of a free-for-all commission war.

Violators on Both Sides

Companies guilty of paying high commissions in Rochester were found in association as well as in non-association ranks, each holding the other responsible for creating the bad conditions. Since reaffirmation of the E. U. A.'s position on commissions such of its companies as were in violation—are reforming the arrangements and any further transgressions, they were assured, would be harshly dealt with.

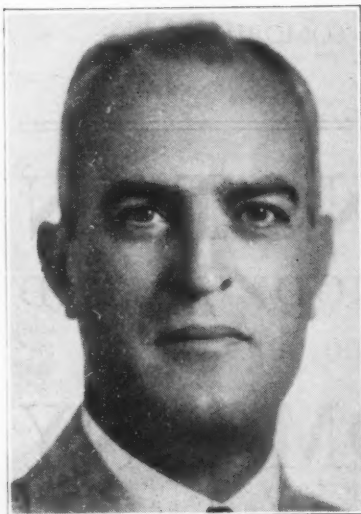
The non-affiliates, too, are pursuing a sane policy—which was true of a number of them hitherto. That there will always be a few institutions on the sniping line seems unavoidable, but scant attention will be paid them by the great majority of companies operating in the city.

Dixie Fire Doubles Capital

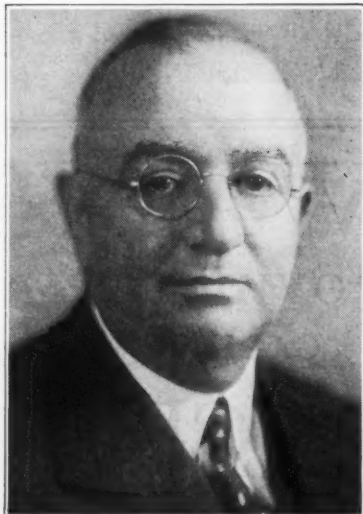
The Dixie Fire will increase its capital from \$500,000 to \$1,000,000. Stockholders will meet soon to take final action. The American of Newark, which controls the Dixie, is expecting to purchase the entire new issue.

The Central Surety Fire has been licensed in California.

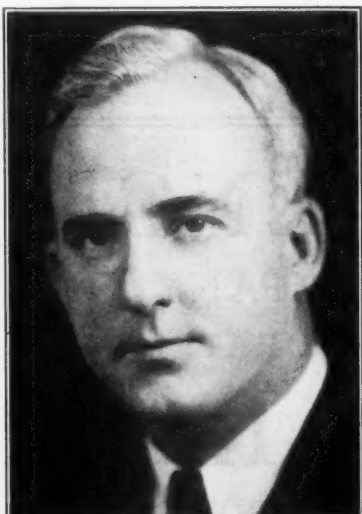
LEADERS AT GENERAL AGENTS PARLEY IN DENVER



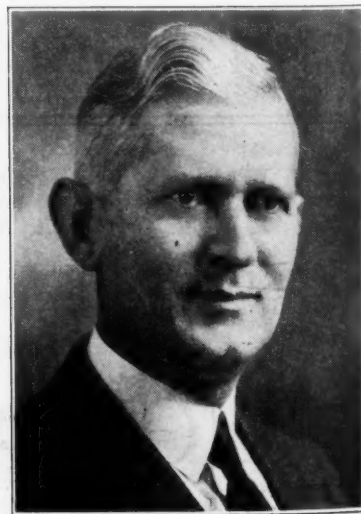
L. E. ENGLISH, Richmond, Va.
New President



W. L. BRAERTON, Denver
Retiring President



H. C. STEBBINS, Denver
Secretary-Treasurer



J. K. SHEPHERD, Little Rock
National Councillor

Insurance Ad Conference Annual Rally Is Sept. 12-14

DECISION AT MIDYEAR MEET

Powerful Benefits of Trade Press
Discussed at Gathering Held
in New York

NEW YORK, May 26.—The annual meeting of the Insurance Advertising Conference, which will mark the 15th anniversary, will be held at Briarcliff Manor, Briarcliff, N. Y., Sept. 12-14, it was decided at the mid-year meeting in New York last week.

"There is no question that leadership in every industry goes to its advertisers," said C. J. Fitzpatrick, vice-president and secretary U. S. F. & G., in the group session for fire and casualty members which preceded luncheon. The job of insurance companies, he said, is to make of the agent a professional man and educate the public to regard him as a "doctor," to diagnose, prescribe and give service in his field.

"In the matter of public estimation," Mr. Fitzpatrick said, "insurance companies are well ahead of the average business because their agents, who are their contacts, are conciliatory, friendly and have created a mass of good-will." He said that to make safe and strengthen their place in the insurance world, agents must qualify as insurance leaders and advisers and be well ahead of the lay public in knowledge and vision.

"One of the most serious problems confronting business in the next decade and insurance is a very vital part of business—will not necessarily be sales and production, but the problem of maintaining public good-will and friendship and protecting the people in general against the organized attack of a well financed minority, who threaten the fruits of prosperity," he concluded.

H. E. Taylor, sales promotion manager American of Newark, described the national advertising campaign recently started by his company. The question to be answered by this drive, he said is whether fire insurance advertising is national magazines pays the advertiser. It will also show what types of ads attract the greatest number of readers.

A. A. Fisk, Prudential, conference president, reported before the general session that ten insurance companies and ten insurance journals have taken membership in the Audit Bureau of Circulations. He said, "This organization offers great protection for advertising expenditures." About 90 percent of newspapers in this country and Canada and 80 percent of national magazines belong to this organization, while less than one-half of the general trade press has been admitted to membership.

He commented on national advertising campaigns recently started by several companies and efforts being made by women's clubs and banks to educate the general public to the value of insurance. Various lines, such as personal accident, fire and life are being discussed more commonly by laymen, indicating awakened interest in insurance and an effort to determine the most suitable policies, he said.

E. M. Ackerman, associate editor "Insurance Field," New York, spoke on the value of insurance journals to insurance. The trade press, he said, over the years has exerted a powerfully beneficial influence; has helped to build and maintain morale. As a spokesman for the business the press has demonstrated it is a wise counsellor and unswerving friend. He said in connection with the value of A. B. C. circulation that advertising results depend largely on extent and character of circulation; an audited circulation should be regarded by advertisers as an indispensable factor before advertising is planned.

Heyworth Campbell, formerly with Conde Nast, spoke on advertising design and its construction.

Caledonian Dedicates Building



On June 2 the Caledonian will formally open its new United States head office building in Hartford for a private inspection. On the following day the public will be invited to inspect the new building.

A. Wallace Cowan of Edinburgh, chairman of the board; Major-General Sir Walter Maxwell Scott of Abbotsford, deputy chairman, and F. J. Cameron, of Edinburgh, general manager, are in the United States to attend the formal opening.

Extremely modern, the new building is of limestone and granite over brick. It is located in a most unusual setting with a facade whose long columns set off a high portal. The company's coat of arms in green bronze adorns the pediment. The alternate thistle and oak medallions in the fence were hand wrought in Edinburgh.

Beautiful Rotunda

The main floor reflects a beautiful rotunda and the executive offices, with the underwriting departments occupying the principal working area. In the foyer is a Dutch grandfather's clock presented by the Netherlands. The branch secretary, cashier, and the accounting, statistical and tabulating departments are located on the second floor.

The penthouse is most attractively arranged as a girls' club room and also contains an auditorium large enough to accommodate 200 persons giving full facilities for conference meetings, as well as the social activities of the employees' Caledonian Club.

Fireproof throughout with sprinkler system in the basement, the building has a complete ventilating system with controlled humidification. The basement contains modern filing facilities, machine room, boiler room and printing establishment and also a club room for male employees.

In addition to the Caledonian branch, the building will house the United

States branch of the Netherlands and the Caledonian-American.

The Caledonian is observing its 132nd anniversary of its founding and the 52nd anniversary of the establishment of its United States branch. The company was organized in Edinburgh, Scotland, in 1805. In 1885 it entered the United States, appointing Balfour, Guthrie & Company, San Francisco, as general agents west of the Rocky Mountains. That firm still represents the Caledonian. In 1890 Henry W. Brown of Philadelphia was appointed manager for the territory east of the Rocky Mountains.

In 1892 the business of the Niagara Fire and the Caledonian were placed in joint management. In 1894 that arrangement was terminated and Charles H. Post, who had been one of the joint managers, was made United States manager, retaining that position until his death in 1925. Mr. Post was succeeded by R. C. Christopher, assistant manager, who was retired in 1927. His successor was Robert R. Clark, the present United States manager, now in his 23rd year of service with the Caledonian, and in his 10th year as United States manager. Mr. Clark is also United States manager of the Netherlands and president of the Caledonian-American.

Experiences Many Tests

The Caledonian has experienced many severe tests in the fire disasters of the world, the major test being in the San Francisco disaster of 1906. At that time, although doing a more moderate business than many companies, it paid out \$4,250,000 to policyholders.

The management of the United States branch is and has been in the hands of men trained to insurance business, the senior officials being acquainted with both office and field work. This keeps the company in close touch with its agents and enables the business to be conducted in a practical and not merely a theoretical way.

Director Palmer of Illinois Had Hard Operation

Ernest Palmer, Illinois director of insurance, underwent an emergency operation at midnight Saturday of last week for appendicitis at the St. John Hospital, Springfield, Ill. He has been under a great strain on account of the proposed Illinois insurance code, which he was agitating very strenuously. Naturally he has been very busy on this and had major problems before the department which kept him working at high tension. He spoke at the banquet of the Illinois Association of Insurance Agents at Springfield, Friday night. He had had an attack two or three weeks pre-

viously but did not regard it as serious. He had an acute attack of pain in his abdomen Saturday afternoon, went home and late at night it was found necessary to operate. It was discovered that there was seepage from his appendix which caused some infection. While naturally he is restless, his mind is cheerful and he seems to be moving along fairly well. This incident comes right in the midst of a hard fight for the code but his associates in the department, headed by Assistant Director Roy L. Davis, are taking up the cudgels enthusiastically.

Mr. Palmer is president of the National Association of Insurance Commissioners, whose annual meeting will begin June 21 in Philadelphia. At this time it is, of course, impossible to say whether Mr. Palmer will be in shape to attend or not. He had outlined a strong program of progressive work for the organization.

Illinois Insurance Code Is Now Up for Passage

MOST AMENDMENTS KILLED

Measure Will Likely Be Brought Before the House Next Wednesday for Action

SPRINGFIELD, ILL., May 26.—The Illinois insurance code, senate bill 270, was advanced from second to third reading in the house this week and will be called up Wednesday for passage. It has passed the Senate. There were some three hours of debate during which 25 amendments came up for consideration. Two of the most important ones modifying the London Lloyds section were tabled. Representative F. E. Franz of Harvey led the fight for the Lloyds. He said that the code in its present form would drive London Lloyds out of the state. His amendment would have permitted Lloyds to make an aggregate deposit instead of individual deposit by some 1,600 individual underwriters, requiring a minimum deposit in Illinois of \$500,000. It would have permitted London Lloyds to write excess and reinsurance. He said that one deposit would simplify the work in the insurance department and that if one underwriter failed to meet the situation the deposits of others would protect policyholders.

Stability of London Lloyds

He referred to the stability of London Lloyds and cited the wreck on the north side elevated in Chicago last November when 11 persons were killed and many injured. He said that London Lloyds carried the insurance and only 11 claims were unsettled. It has already paid out \$471,000 in claims, he said, in this one case. Floor Leader Adamowski of Chicago, who has enthusiastically sponsored the code, opposed the Franz amendments, stating they would give preference to London Lloyds. Early in the argument he tried to have all the amendments stricken out but he was voted down after great discussion.

The amendments and their disposition follows:

- No. 1. Requiring mutual insurance companies to file dividend information with the director of insurance, who would have the power to direct their insurance, size and character. Tabled.
- No. 2. Permitting burial societies to make settlements by paying funeral expenses in lieu of cash. Tabled.
- Nos. 3 and 4. Giving insurance companies one year (instead of six months) to comply with code provisions. Adopted.
- Nos. 4 and 5. Permitting casualty companies to write household comprehensive policies. Adopted.
- No. 7. Permitting reciprocals to write tavern liability insurance. Adopted.
- No. 8. Requiring that insurance companies may buy municipal plant bonds only after such plants are five years old. Tabled.
- No. 9. Technical amendment. Adopted.
- No. 10. Permits writing of health and accident insurance persons over 65 years of age. Adopted.

Eliminate Service Charge

- No. 11. Eliminating service charges on fire and casualty policies. Adopted.
- No. 12. Eliminating service charges on workmen's compensation and occupational disease policies. Tabled.
- Nos. 13 and 14. Lloyds. Tabled.
- No. 15. Permitting insurance companies to print annual statements in papers located somewhere besides Chicago and Springfield. Tabled.
- No. 16. Withdrawn.
- Nos. 17 and 21 inclusive. Withdrawn.
- No. 22. Technical amendment pertaining to reciprocals. Adopted.
- Nos. 23 and 24. Rate Section amendments. Tabled.
- No. 25. Amendment to kill Lloyd's section as it now stands. Tabled.

Representative Fitzgerald of Chicago, chairman of the house insurance committee, said every effort would be made to call the bill up for passage, on Wednesday.

NEWS OF FIELD MEN

Tennessee Field Gathering

Underwriters, Preventionists and Blue Goose to Hold Sessions at Lookout Mountain

The Tennessee Fire Underwriters Association, of which Leon McGilton, American, is president, will hold its annual meeting at Lookout Mountain, Tenn., June 9. F. H. Spencer, Springfield F. & M., Richmond, Va., will speak on "Business Development." H. P. North, Springfield F. & M., chairman Business Development in Tennessee, will outline definite program for future activity.

The Tennessee Fire Prevention Association, of which Paul Breen, New Hampshire, is president, will hold its meeting at Lookout Mountain June 10 and will have on its program an address by Commissioner McCormack, of Tennessee.

Blue Goose Session

Following the meeting of the fire prevention association, the Tennessee Blue Goose will hold its business meeting, Leon McGilton, most loyal gander, presiding. At this time there will be reports of officers, election and installation of officers. A memorial service will be held with C. F. Taylor, assistant manager Tennessee Inspection Bureau, as chairman, in tribute to ganders who died during the past five years.

A dinner dance the evening of June 10 will be the closing event.

Michigan Roundup Planned

Four Field Organizations Will Gather June 16-17 at Port Huron—150 to Attend

The annual spring roundup of Michigan field men will be held at Gratiot Inn at Port Huron, June 16-17, with more than 150 expected to attend. All four of the field men's organizations will participate.

The Michigan Blue Goose, the Michigan Fire Underwriters Association, the Michigan Field Club (bureau companies), and the Michigan Fire Prevention Association will hold their annual meetings during the period. A golf tournament and other events in which all field men and guests will be invited to participate will enliven the roundup.

President J. F. Rogers, North America, has appointed a committee headed by Stuart Morgan, Agricultural and including G. R. Edelman, Home fleet and R. R. Bucknell, Detroit National, to handle arrangements for the Michigan Fire Underwriters' annual meeting. Most Loyal Gander E. G. Saulcy, Great American, and other Blue Goose officers will act as the arrangements committee for the pond's portion of the affair.

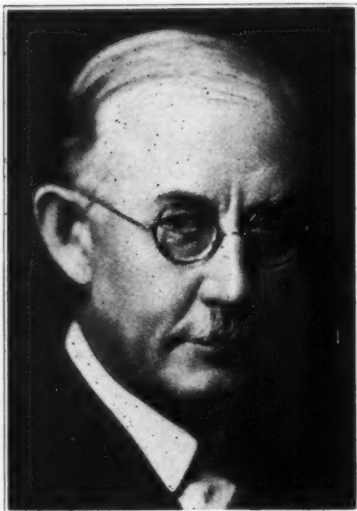
Special Agent Holm Gets a Certificate of Service

A. E. Holm, special agent of the Home of New York fleet in Iowa, has received a certificate from the head office of the National Liberty commemorating 25 years of service with that company. He started with the National Liberty on March 12, 1912, when it was the Germania Fire, taking a position in the western department at Chicago. He worked up to an examinership and in 1919 was appointed Illinois special agent under C. C. Nicholson, now a local agent at Decatur, Ill., who was state agent of the National Liberty at that time. Mr. Holm was transferred to Iowa in 1920 and has been in that field ever since, now traveling for various companies of the Home flotilla. He was presented with the certificate by State Agent E. H. Davis.

Indiana State Agent Dies

Providence Washington Field Man Prominent for 40 Years Taken by Pneumonia

O. E. Green, for 31 years Indiana state agent Providence Washington, died after a brief illness which developed into pneumonia. Born near Union City, Ind.,



ORLIE E. GREEN

June 9, 1867, his boyhood was spent there and he entered the local agency business in 1897. He entered the field in Indiana for the Providence Washington in 1906 after having been special agent of the Indianapolis Fire for several years, which connection was preceded by a few months with the Royal, his first field connection.

He was dean of the Providence Washington field men throughout the entire territory. Possessed of a keen mind and marked ability he also was endowed with an exceptionally pleasing personality and the power to make and hold friends. His leadership in association and organization work came naturally, and in due course he was elected head of various organizations in which he took particular interest.

In 1929 he was president of the Fire Underwriters Association of the Northwest. He was president of the Indiana Fire Underwriters Association, Indiana State Fire Prevention Association, Field Men's Relief Fund Association, and in 1916 was most loyal gander of the Indiana Blue Goose. Upon the death of W. P. Benton, Mr. Green was elected secretary of the Indiana Fire Underwriters Association and the Field Men's Relief Fund, holding these positions continuously until his death.

He was active in Masonic orders and a past master of the lodge in Union City. He was a member of the Second Presbyterian Church in Indianapolis. He is survived by his widow and a son, Hugh Green, connected with the aviation industry in California, who arrived by plane in Indianapolis Monday. Funeral services were held Wednesday morning at Indianapolis with burial in the afternoon at Union City. J. R. Cashel, manager Providence Washington, Chicago, attended the funeral.

Blue Goose Ponds Convene

Mississippi and Louisiana Groups Meet in Conjunction with Mississippi Association of Insurance Agents

The Louisiana and Mississippi Blue Goose held their annual splash at Gulfport at the same time as the Mississippi Association of Insurance Agents meeting. Principal activities were election

of officers and initiation of a large number of goslings.

The Mississippi pond officers follow: J. L. White, Jackson, most loyal gander; R. H. Tucker, Jackson, supervisor; J. L. Rose, Jackson, custodian; J. B. Chapman, Jackson, guardian; Harry Kane, Gulfport, keeper, and F. Julian Carroll, Jr., wielder.

The Louisiana pond officers follow: R. V. Wright, most loyal gander; C. C. Dupree, supervisor; R. M. Wylie, custodian; Jules Simoneaux, guardian; Maurice Hartson, keeper, and W. J. Gale, wielder of the goose quill, all of New Orleans.

Program of Indiana Meeting

Annual Gathering of the Fire Underwriters Association Will Be Held at Lake Wawasee

Following is the program of the annual meeting of the Indiana Fire Underwriters Association to be held at Lake Wawasee in the Spink-Wawasee Hotel, June 24 and 25:

Thursday, June 24

Roll Call, 9:30.
President's Address, Morris O. Jones, Fireman's Fund.
"What Is a Good Agent?" Laurence E. Falls, first vice-president, American.
"Loss Adjustments," H. M. Greenberg, Chicago, general adjuster, Western Adjustment.
Sports—Golf, bridge, baseball and horse shoes in the afternoon.
Evening—Annual dinner, testimonial to President Morris O. Jones, Prof. Clarence Manion, Notre Dame, toastmaster. Awarding of prizes.

Friday, June 25

Meeting called to order, 9:30.
Reports of committees.
Election of officers.
Address, "What Business Development Program Has Accomplished," W. S. Ellis, special representative, general coverages department, Royal Group, Chicago.
Annual Meeting, Field Men's Relief Fund Association.
Afternoon—Sports.

Joint Banquet Is Planned

Minnesota and Dakota Blue Goose May Get Together; Underwriters, Preventionists Meet

MINNEAPOLIS, May 26.—Efforts are being made to arrange a joint banquet this year of the Minnesota and Dakota Blue Goose. Both organizations have their annual meetings the same week in June within a few miles of each other and sentiment is for a joint dinner.

The Minnesota pond will meet June 24 at Sunset Beach hotel, Glenwood, Minn., and the Dakota pond the same week at Alexandria, Minn., only 20 miles away.

The Minnesota meeting will be part of a two-day outing. The program includes outdoor sports, fishing, trap-shooting, archery, golf, ping-pong and shuffle board.

Two other organizations meet with the Blue Goose. June 23 the annual meetings of the Minnesota Fire Prevention Association and Minnesota Underwriters Association will be held in the morning, followed by luncheon. In the afternoon there will be a program of contests and in the evening a dinner. All of Thursday will be given over to sports contests, the Blue Goose banquet climaxing the two-day outing.

Several executives from Chicago and other cities have been invited. The committee in charge is made up of W. W. Belford, for the Blue Goose; C. H. Ludwig, for the Underwriters Association, and W. N. Hansen, for the Fire Prevention Association.

West Pennsylvania Field Men Organize Association

With 106 charter members the Fieldmen's Association of Western Pennsylvania was organized in Pittsburgh.

Membership is open to persons engaged in field work in the district, employed on salary by fire companies which are members of the Eastern Underwriters' Association, and their officers or managers.

P. J. Mullen, Phoenix-London group, is president; H. D. Burkhart, Security group, secretary; W. V. Iderstine, Northern of London, treasurer. Executive committeemen include F. W. Sippell, North America, chairman; W. E. Volbrecht, Fire Association; Carlton Timberman, Fireman's Fund; J. E. Sautter, St. Paul; Edward Hodgdon, Camden group. On the membership committee are W. A. Bell, America Fore group; F. A. Meisel, North British & Mercantile and G. E. Scaff, Royal Exchange. A business meeting is scheduled for June 7 in the Frick Building.

Iowans Hear State Official

Members of the Iowa Blue Goose and the Casualty and Surety Club of Des Moines held a joint meeting at which R. E. O'Brien, Iowa secretary of state, was the principal speaker. He was introduced by Most Loyal Gander E. H. Davis, state agent Home of New York.

Mr. O'Brien told of work of the various departments that function under supervision of the secretary of state, among them the securities department and the motor vehicle department. He said returning prosperity is now bringing back an influx of salesmen for questionable securities.

Speaking of the work of the motor vehicle department, he said the Iowa state police system, inaugurated a few years ago, is accomplishing much to reduce highway accidents. He said the practice of removing stubs from the licenses of drivers is a most effective curb on reckless driving. While most drivers are not perturbed over paying fines, almost without exception drivers dislike the humiliation of losing stubs and being compelled to undergo a driving examination to procure a new license.

Clark to Take New Post

NEW YORK, May 26.—John E. Clark, selected as manager of the General Cover Association, is now in the New Jersey field as special agent for the Fireman's Fund group. Earlier he was connected with the General Cover Association, serving under Manager R. G. Clark (no relation), who retired last fall to connect with the Great American. Herbert Ashcroft continues as assistant manager. The association was formed in 1929, and has a present membership of 11 companies and their affiliates. Following the retirement of R. E. Clarke, from its management a special committee, of which A. E. Gilbert, vice-president of the Hanover Fire was chairman, was empowered to select a successor; J. E. Clark was their choice.

Indiana Speakers Engaged

G. L. Heinz, president Indiana State Fire Prevention Association, announces as speakers on the program of the annual meeting June 14, at the Indianapolis Salvage Corps, C. E. Welborn, Chicago, secretary Underwriters Laboratories, and J. B. Taylor, Western Actuarial Bureau, St. Louis. Clem Smith, state fire marshal, and Joe Sherer, deputy, will speak briefly on fire prevention. Mr. Welborn, with moving pictures, will conduct "a tour" through the Chicago laboratories. Mr. Taylor will discuss the fire prevention activities of the bureau.

Roy Nicholson's Activities

Roy L. Nicholson, state agent for the Michigan Fire & Marine in Wisconsin, has decided to confine his activities this year during national Fire Prevention Week to his home town, Milwaukee. He has accepted the invitation of the Kiwanis Club to be its guest speaker on Oct. 6, and of the Optimist Club, of which he is a past president, on Oct 4 in the same capacity. At both meetings the ladies will be invited in order that they may learn something about the

fire dangers in the home. The Milwaukee Association of Commerce has also solicited his services for talks before the various high schools of that city. Already it begins to look like a mighty busy week!

N. J. Field Club Hears "G" Man

NEWARK, May 26.—Following the dinner-meeting of the New Jersey Field Club, members and their guests heard an interesting talk by W. S. Devereaux, special agent United States Department of Justice. He described the work of the department and explained methods of capturing criminals. Sound pictures were shown by the General Motors Sales Corporation.

These new members were admitted: J. H. Thetford, Great American; Clem Fortman, North America; E. F. Gaskins, Connecticut Fire, and B. R. Howe, Automobile.

Gillespie Joins General

F. D. Gillespie has been named by the General of Seattle as special agent for western Missouri and Kansas. He formerly was with Rankin-Benedict Underwriting Company for eight years.

Iowa Splash July 9-10

Following several years during which the annual splash of the Iowa Blue Goose has been a one day affair at a Des Moines country club, Iowa field men have reverted to the old tradition of the pond and will hold a splash July 9-10 at Lake Okoboji this year. J. C. Stuart, state agent Aetna Fire, is chairman.

Taylor Returns to Ohio

ST. PAUL, May 26.—Ralph H. Taylor will return to Columbus, Ohio, as state agent for the St. Paul F. & M. group to resume supervision of agencies he served prior to coming to St. Paul on Jan. 1 as general adjuster. "Though Mr. Taylor's work in the capacity of general adjuster was eminently satisfactory," said a company statement, "he feels that he can very much better serve our interests and be happier in his former capacity amongst his old friends, with whom he has been associated so many years."

Ferrell Returns to St. Louis

D. H. Ferrell, who formerly traveled for the Scottish Union & National group out of St. Louis, and was sent to Minnesota as state agent, has been shifted again to St. Louis owing to the illness of his son and the necessity of special treatment by a technician in that city. He will assist State Agent Herd in Missouri, Kansas and a portion of Illinois.

Ohio Field Gatherings

The Ohio Fire Prevention Association will hold its annual meeting and election June 7 in Columbus. That evening the Blue Goose will hold a business meeting, buffet supper and smoker. On the following day the Ohio Fire Underwriters Association will meet and in the afternoon and evening the customary Blue Goose June party will be held at the Scioto Country Club.

Initiate 16 in Illinois

About 75 field men attended the Blue Goose golf outing, banquet and initiation in Springfield the evening before the mid-year meeting of the Illinois Association of Insurance Agents. About 16 neophytes were put through the paces. Among them was Henry F. Tuerk, secretary of the Illinois Fire of Peoria.

Dan Harrigan, St. Paul F. & M., most loyal gander, is much interested in improving the technique of the initiation ceremonies and he and the others participating had rehearsed for the Springfield occasion. The ceremonies accordingly were conducted more smoothly and impressively than they have been in the past in Illinois.

S. V. Coultas, Illinois state fire marshal, was presented. He is a former

Meetings Are Scheduled for Business Development

Illinois—First leg of the program is completed, with 31 meetings having been held, those at Lawrenceville and Harrisburg concluding the season.

Indiana—Bloomington, May 28, Lafayette, June 4.

Kansas—Program finished, with meetings at Topeka and Kansas City at which F. S. Dauwalter spoke.

Iowa—Program is commencing now. Meeting at Davenport June 3. One was held at Fort Dodge May 25.

Minnesota—Program about completed. Meetings were held this week at Hibbing and Fergus Falls. A St. Paul meeting is planned for June.

Oklahoma—Holdenville, June 8—McAlester, June 9; Ada, June 10, and Ardmore, June 11.

Missouri—Meetings were held in Mexico, Maryville and Jefferson City, and at Clayton May 25 and Joplin, May 26.

North Dakota—First leg of program is completed, with the last meeting at Bismarck.

Ohio—Piqua, May 28.—Meetings were held at Toledo May 25 and Youngstown May 27.

Michigan—First leg of program is completed.

Wisconsin—All county board organization work has not yet been completed. Business Development meetings will follow this.

Nebraska—Setup is completed but no meeting announced yet.

South Dakota—The program will start in the fall.

Kentucky—Program expected to start this summer. The Kentucky Field Club at French Lick, Ind., June 15, and the Kentucky Association of Insurance Agents at Louisville, June 18, will make tentative arrangements.

Tennessee—Meetings were held over a year ago before the present Business Development plan was originated, but no plans for the present program have been announced.

local agent of Jacksonville. He has tackled his job conscientiously and intelligently and is popular among insurance men and valued by them. He was recently reelected chairman of the fire marshals section of the National Fire Protection Association.

Tompkins With the Scottish

The Scottish Union & National and American Union announce that G. S. Tompkins has resigned as special agent for the Phoenix of London in Minnesota and North Dakota and will become their state agent in Minnesota, succeeding D. H. Ferrell, who has been shifted to St. Louis. Mr. Tompkins is a seasoned field man and is highly regarded in the state.

Albany Field Club Celebration

Plans have been started for the celebration of the 25th anniversary of the Albany, N. Y., Field Club. J. D. Dacey, Boston and Old Colony, is made chairman of the arrangements committee. Other members are H. B. Nugent, Aetna Fire; G. F. Frank, J. W. Summers, Home of New York; David Davidson, America Fore; M. G. Knapp, Royal-L. & L. & G.; B. C. Chittenden, J. A. Brown and J. R. Ryan of the New Hampshire. At the meeting to arrange for the celebration the speakers were E. E. Heins, general manager eastern department Fire Companies Adjustment Bureau, and G. F. Jamison, chief of the licensing division of the New York insurance department.

The Ladies of the Iowa Blue Goose will hold their annual picnic June 7 at Riverview park in Des Moines.

Accident Business Is Good — for sales pointers read *The Accident & Health Review*. Sample copy 10 cents. Address A-1946 Insurance Exchange, Chicago.

Science Editor Is Speaker

Milton Silverman, science editor San Francisco "Chronicle," addressed the San Francisco Blue Goose on "Modern Black Magic." W. Bonstin, vice-president Pacific National Fire, presided.

Sellers Talks to Cleveland Board

CLEVELAND, May 26.—C. W. Sellers, prominent Cleveland insurance attorney, addressed the Cleveland Board on behalf of the Chamber of Commerce. Mr. Sellers outlined the Cleveland advancement program by which the chamber aims to cooperate with all business and industry during the coming year.

He asked what the chamber might do to aid the insurance fraternity.

An amendment was made to the by-laws changing the annual meeting date from February to April on account of a change in the license law. The new date will spread the work more evenly through the year. In the absence of the president, J. W. Barrett, vice-president, presided.

The Kruger Insurance Agency at Green Bay, Wis., held open house at its new office, 126 East Walnut street. It also reports that it is rounding up 20 years of service. It is one of the important agencies in its section.

"I'M GETTING FINE RESULTS,"

Said ROY L. GEESY, York, Penna.

"..... I have always believed in the underlying principles of PRACTICAL PROSPECTING, and attribute the measure of success I have had so far in selling insurance primarily to planning my work.

"I had previously worked out a plan of getting prospects, of systematizing them, of mailing letters, and following them up, and have kept records as to the result of calls, but I have never seen any system, including my own, half as thorough or that does produce the results as your system which I am now using."

PRACTICAL PROSPECTING is a prospecting plan that

will help you to better work and better income..... as it

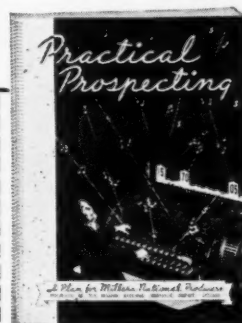
is helping those now using it.

It is developed, not upon theory, but by the sifting of hundreds of practical selling ideas, tried and proven by successful agents throughout the country, and welded into its present simple yet astonishingly

complete form.

Included are not only the ideas on the course to follow but all the sales material, files, and record blanks needed to put the plan into operation.

Would you care to see it? The coupon below is attached for your convenience.



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MILLERS NATIONAL INSURANCE CO.

175 WEST JACKSON BLVD., CHICAGO, ILL.

I SHOULD LIKE TO HAVE complete information on PRACTICAL PROSPECTING. Without incurring obligation on my part please arrange to lay this complete sales plan before me.

Name

Address

City State.....
N. U. 4

AS SEEN FROM CHICAGO

WEISE OPENS HIS OFFICE

John D. Weise had open house in his new adjusting office at A942 Insurance Exchange, Chicago, last Thursday where he greeted a large number of friends. He is one of the well known and highly esteemed adjusters and has taken over the fire insurance department of the T. T. North Adjustment Company, which is retiring from the fire insurance adjustment field in order to devote its entire time to automobile and casualty work.

MARKS 30TH YEAR

I. C. Isaacson, special agent H. Dalmar, Chicago class 1 agency, is celebrating his 30th year with the organization. He has been a special for three years.

DEATH OF A. B. MILLS

A. B. Mills, a member of the long established New York City agency of T. Y. Brown & Co., and manager of the branch office of the Glens Falls and the Commerce, died suddenly at his home in Englewood, N. J., May 20. He had been in ill health for several weeks, but was in his office on last Thursday morning. Hence the shock had by the fraternity on learning of his tragic death some hours later.

Mr. Mills, who was 62 years of age, was one of the veteran men in New York City ranks and was widely known in agency and brokerage circles. In early life he was counterman for Weed & Kennedy, and subsequently conducted

an agency of his own. In 1916 he joined forces with Samuel Brown, creating the firm of T. Y. Brown & Co., Mr. Brown being a son of the late T. Y. Brown in his day one of the most aggressive and successful agents in the city.

UNIFORM NOTICE OF LOSS

Appointment by the Eastern Loss Executive's Conference of a committee to draft a uniform notice of loss form, recalls the naming of a series of such committees by the National Board during the past 15 years or more, none of which were able to interest the companies sufficiently in the subject to secure acceptance of their recommendations. Officials apparently do not deem the matter of sufficient moment to alter existing practice. They point out that agents are familiar with the notice form each office employs, and that any change would likely tend to confusion. In advising of a loss, agents merely note the name and address of the assured; amount of insurance involved; contributing insurance, if any, name, date and assumed cause of the fire, if then known. Such information company chiefs feel is all that is essential; details being secured by adjusters handling the claims.

COMMITTEE HELD MEETING

The committee named at the recent Chicago gathering to work out a form of supplemental contract for use throughout this country, and perhaps Canada as well, met in New York City Tuesday and began delving into the mass of material on hand, dealing with different phases of the subject. It will continue its explorations until its work be accomplished.

WILL ENTERTAIN COMMITTEES

Ira D. Goss of Chicago, manager of the fire department of the America Fore, will entertain the members of the standing committees of the Farm Underwriters Association June 1-5 in his summer home on the Tippecanoe river, Tippecanoe, Ind. The public relations committee will meet the first two days of that week and the farm advisory committee following. Among those who will be present are E. H. Born, assistant manager Western Underwriters Association, who is secretary of the farm body; L. G. Warder, Hartford Fire; F. H. Cornell, Home; C. E. Parks, National of Hartford; Rush Carter, Aetna Fire; C. L. Bloom, Commercial Union; S. H. Quackenbush, Crum & Forster; W. H. Lininger, Springfield F. & M.; and E. S. Folz, American.

FRED S. JAMES & CO. HONORED

When C. F. Shallcross of New York City, United States manager of the North British & Mercantile went to Chicago last Friday to celebrate the 50th anniversary of George W. Blossom, who

is the senior member of the Fred S. James & Co. firm, he took with him an illuminated transcription of a resolution passed by the United States board of directors commemorating the representation of the company since 1894. The resolution stated that during 43 years of association with the James & Co. office, the North British realized in premiums above losses and expenses \$1,000,000. This, Mr. Shallcross states, is the first agency in the United States to make a record of this kind. Mr. Shallcross signed the illuminated scroll as United States manager and David F. Houston as chairman of the board. Mr. Houston, by the way, is president of the Mutual Life of New York and served as Secretary of Agriculture and later Secretary and Treasurer in Woodrow Wilson's cabinet. High appreciation is expressed in the resolution for the James & Co. firm.

DEATH OF RALPH DOYLE

Ralph F. Doyle, chief solicitor of the Underwriters Adjusting Co. in Chicago, died last Saturday of a sudden attack of acute indigestion at the age of 47. He was one of the most colorful and unusual personalities in Chicago fire insurance, with an exceptionally wide acquaintance running literally into the hundreds.

His hobby was boxing and he was intensely interested in it. During the World War he had charge of the boxing activities at Camp Grant, Ill. At this period he wrote a weekly column for one of the Chicago newspapers describing, in his inimitable style, his efforts to convert the rookies to passable ring performers.

For a time he edited a monthly paper in Chicago devoted to prize fighting called "The Gong." In conversation, he made frequent use of boxing terms and expressions. His conversational style was unique; difficult to imitate, and more difficult to describe. Because of its piquant flavor, he made himself remembered wherever he went.

As a loss solicitor he was surprisingly alert; quick to go into action a few moments after any loss of consequence occurred. He seemed to know instinctively just the right one to contact, and many times he had everything lined up before others knew there was a loss. He was particularly helpful in making the Underwriters Adjusting known in the early days when it was struggling to gain a foothold. He had been with the Western Adjustment for several years before he joined the Underwriters in 1919, a few months after it began business. He brought with him a thorough understanding of how to solicit losses, and the benefits of an extended acquaintance.

MACK & PARKER MOVES

Mack & Parker, Chicago insurance office, has moved into the Rookery building there. The telephone number, Dearborn 8855, remains unchanged. The members of the firm are E. E. Mack and J. B. Parker.

SOFT BALL SEASON OPENS

The London & Lancashire opened the soft ball season May 24 with a 7-4 defeat of the Hartford Accident. A home run was made by W. Schmuck, London & Lancashire. K. Gundlach pitched for the Hartford Accident. F. Neumann was behind the plate for the winners and Wisebrook for the Hartford.

A. D. CORRIGAN DIES

A. D. Corrigan, 68, former broker with Critchell, Miller, Whitney & Bar-

POSITION WANTED

Young man experienced as Home Office Underwriter, Automobile Department, Conference Company and from Special Agent to Agency Supervisor, Independent Company, desires connection. Employed. Satisfactory reasons for change can be given. References.

ADDRESS BOX F-80
CARE THE NATIONAL UNDERWRITER CO.

COMPANIES

Excelsior Was Host at New York Agents Meeting

SYRACUSE, N. Y., May 26.—Directors of the Excelsior have declared a dividend of 15 cents a share. This is the second since payment of dividends was resumed last December. Business shows a substantial increase this year.

For the tenth time the Excelsior was host to those attending the New York convention of insurance agents at a noon luncheon Tuesday. President R. C. Hosmer told his guests this was a prerogative of his company which it liked to continue. He introduced state Senator F. L. McElroy, a member of the senate insurance committee who stated that no bill affecting insurance of automobiles would become law without giving the agents and companies full opportunity to present their views and their constructive suggestions.

Has Finance Setup

The Pacific National Fire has arranged a premium finance setup. It allows a reasonable amount of elasticity from standard requirements for special needs, company officials said.

There is no down payment. The policy is retained by the assured, endorsed to indicate there is a finance premium. Cancellation is on short rate basis in case of default. The company is preparing an advertising campaign to assist its agents.

The Globe & Rutgers Fire will pay \$250,000 this week on its bank loan, thereby reducing this indebtedness to \$2,250,000.


T. A. Banks, Denver, has been appointed an adjuster by the Fred L. Henkel Adjustment Co., Denver.

bour, died at Rochester, Minn. He started his career in 1890 as policy writer for C. W. Drew & Co. In 1900 he became a broker, soliciting principally accident and teams liability. Since his retirement several years ago the firm of Arch. D. Corrigan Co. has been carried on by C. E. Wright and C. F. Sturgeon.

L. P. Warren of the Associated Agencies, Chicago, has been commissioned by Dr. Tyler Dennett of Williams College to represent the institution at the centenary celebration of Knox College, June 11-16. Mr. Warren is past president of the Williams College Alumni Association.

Eagle Star Pays Tribute to George W. Blossom

George W. Blossom, head of Fred S. James & Co. of Chicago, who has been honored in many ways, had a special honor bestowed on him by the Eagle Star which his firm represented as United States manager for many years. During that time Mr. Blossom handled the investments for the company in this country. Even after his firm gave up the management he was asked to continue in his capacity as financial advisor until he decided to give up the work entirely. Therefore, the Eagle Star presented him with a set of beautiful silver, all of it antique, and each piece having a special history. The platter, for instance, was made in 1748. All the pieces are handmade and are over 100 years of age. A special envoy from the company went to Mr. Blossom's winter home in Pasadena, Cal., to make the presentation and to give him a handsomely engrossed testimonial signed by the officials and all the trustees, many of whom bear honorary titles. Managing Director E. M. Mountain is head of the company and engineered this recognition of Mr. Blossom's service.



The story of the acorn and the sturdy oak is old but ever new. Our booklet "Planned Progress" tells you how to plant the acorn of a basic, far-sighted plan in your agency and how to cultivate a steady growth of business from it. Write or wire for this free book today. Yes, it's that important.

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INSURANCE COMPANY

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PROVIDENT FIRE INS. CO.

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INSURANCE CORPORATION, LTD.

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NEW YORK

VIEWED FROM NEW YORK

By GEORGE A. WATSON

INSURANCE SOCIETY APPROVES

The slate for officers and directors of the Insurance Society of New York as prepared by the nominating committee was unanimously approved at the annual meeting of the organization. The list appears in last week's issue of THE NATIONAL UNDERWRITER. Secretary E. R. Hardy in his report noted present membership as being 1,187. Of the 1,316 students taking the course this year, 980 are sitting for examinations. That interest in educational matters continues to increase, Mr. Hardy stated, was evidenced by the large number of reference works taken from the library in the past 12 months.

* * *

BROKERS ELECT OFFICERS

The Insurance Brokers Association of New York has elected the following officers: C. L. Despard, Despard & Co., president; W. J. Mosenthal, H. Mosenthal & Sons, first vice-president; Courtlandt Otis, Otis, Jones & Co., second vice-president; C. O. Pate of Pate & Robb, reelected treasurer; R. E. Kipp of Delanoy, Kipp & Swan, secretary. Mr. Despard succeeds L. E. Thayer of Brown, Crosby & Co. as president. Mr. Mosenthal moved up from secretary and Mr. Otis has been chairman of the legislative committee. G. P. Nichols of Gaines, Silvey & Nichols has retired as first vice-president.

* * *

ROCKEFELLER AND MERCHANTS

The only direct connection with insurance interests the late John D. Rockefeller had was as one of the incorporators of the Merchants Fire of New York, 1910. His son, John D., Jr., likewise acted as an incorporator, and has since served continuously upon its directorate, retaining the connection long after retiring from the boards of

many other enterprises. E. L. Ballard, organizer of the Merchants Fire, its president for a number of years and now chairman of its executive committee was a classmate of Mr. Rockefeller, the younger, at Brown University, and later was closely associated with him in church and Sunday School work in New York City. The interest taken by the Rockefellers in the progress of the company was because their warm friendship for Mr. Ballard.

* * *

EXAMINERS ELECT OFFICERS

New officers of the Fire Insurance Examiners' Association in New York City, are: President, William Cuddy, Commercial Union; vice-president, W. F. Moore, North British & Mercantile; treasurer, Paul Buchmann, New York Underwriters and recording secretary, Douglas Howie, Hanover.

* * *

HOWE IS BROKERAGE MANAGER

The Agricultural and Empire State have appointed W. C. Howe, Jr., as manager of their brokerage and service department in New York City. He has been home office underwriter and special agent. For the last five years he has been underwriting metropolitan business in New York City. In the same office will be W. P. Philips, executive special agent; H. C. Anger, special agent of the Agricultural for suburban territory; J. J. Garland of the Agricultural in northern New Jersey, and H. W. Koertge, automobile adjuster for the two companies.

Speakers for Georgia Meeting

H. J. Haas of Atlanta, president Georgia Association of Insurance Agents, announces that K. H. Bair of Greensburg, Pa., immediate past president National Association of Insurance

Agents, will be one of the speakers at its annual meeting which is to be held in his city June 18-19. Another speaker will be C. S. Spaulding, agency supervisor Aetna Casualty & Surety, whose talk will be along salesmanship lines. Clarke Smith, assistant superintendent Royal-L. & L. & G., will speak on use and occupancy insurance.

Endorsement for Trailer Homes Approved by I.M.U.A.

The contents of automobile trailer homes may be insured by company members of the Inland Marine Underwriters Association simply by attaching a prescribed endorsement to personal effects policies effective July 1. This decision was reached at a recent meeting of the executive committee of the organization. An additional premium for the endorsement will be charged at a rate of 2½ percent applied to the amount of coverage granted under the endorsement, with a minimum annual additional premium of \$10. Both the rate and the minimum premium will be subject to short rate for short term.

The endorsement approved by the executive committee is subjoined:

"In consideration of an additional premium of \$....., this policy, subject to its terms and conditions not in conflict herewith, is extended to also cover furniture and furnishings belonging to and used by any person insured hereunder, while contained in one auto trailer or trailer home owned or leased by the assured or persons insured hereunder or while in use in connection therewith, except that the insurance granted by this endorsement does not cover:

"a. Equipment and accessories built into and forming a permanent part of the automobile trailer home, nor such equipment as is usually attached to the ordinary automobile of the private passenger or truck type;

"b. Loss or damage caused by marling, scratching, dampness of atmosphere or extreme temperature;

"c. Mechanical breakdown or any

Blanks Committee Makes No Change in Schedule T

The National Association of Insurance Commissioners committee on blanks which met in New York last week took no action on the provision in schedule T of the fire companies' blank for separation of direct business written and reinsurance assumed. The body recommended for 1938 about the same requirements as are made in schedule T of the miscellaneous blank be followed, the postponement being ordered at the request of the companies, who pointed out they would be greatly inconvenienced if they had to make the change this year.

The annual statement blank for fire companies was amended so that the schedule of losses paid and losses incurred, on page 9, will be consistent with schedule of premiums written for authorized insurance, and will agree with the similar schedule in the miscellaneous blanks.

The committee also adopted a resolution that the plan for consolidating stock and mutual fire companies blanks get a definite recommendation from the standing sub-committee on the subject in time for the 1938 meeting.

These recommendations will be presented to the executive committee of the National association at its annual meeting in Philadelphia in June. W. A. Robinson, actuary Ohio department, who is committee chairman, presided. The secretary is C. C. Dubuar, principal actuary New York department.

damage to electrical apparatus caused by electricity whether artificial or natural unless fire ensues, and then for loss by such ensuing fire only.

"This company shall not be liable under the coverage provided by this endorsement for more than \$..... in any one loss or catastrophe.

"All other terms and conditions of the policy remaining unchanged."

Reinsurance of Fire and Allied Lines

NORTH STAR INSURANCE COMPANY

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

E. H. BOLES, Pres. • JESSE E. WHITE, Vice-Pres. • A. R. W. WANG, Vice-Pres. and Secy. • ROBERT B. CROFTON, General Agent

Financial Statement, December 31, 1936

Assets	
Cash in Banks.....	\$ 371,710.25
Investments:	
Bonds.....	\$1,478,822.49
Common Stocks.....	2,396,395.00
Mortgage Loans.....	38,500.00
Real Estate.....	7,500.00
Total.....	3,921,217.49
Balances due from Ceding Companies (not over 90 days due).....	149,349.17
Accrued Interest.....	10,880.92
Total Admitted Assets.....	\$4,453,157.83
Liabilities	
Reserve for Claims and Claim Expenses.....	\$ 211,483.33
Reserve for Unearned Premiums.....	1,003,813.90
Reserve for Commissions, Taxes and Other Liabilities.....	120,093.02
Voluntary Reserve.....	700,000.00
Capital.....	\$ 600,000.00
Surplus.....	1,817,767.58
Surplus to Policyholders.....	2,417,767.58
Total.....	\$4,453,157.83

Bonds and stocks owned are valued in accordance with the requirements of the New York State Insurance Department, viz.:—Bonds on an amortized basis, stocks at December 31, 1936 market quotations. If bonds owned were valued on the basis of December 31, 1936 market quotations, Total Admitted Assets would be increased to \$4,517,015.34 and Voluntary Reserve to \$763,857.51. • Securities carried at \$172,332.11 in the above statement are deposited as required by law.

H. A. Clark Again Head of Western Insurance Bureau

E. E. SOENKE VICE-PRESIDENT

E. S. Inglis of Corroon & Reynolds Was Elected Western Sprinkled Risk Association President

At the closing session of the Western Insurance Bureau's annual meeting at Asheville, H. A. Clark, vice-president and western manager of the Firemen's, was reelected president and also chairman of the board. E. E. Soenke, Security of Davenport, was chosen vice-president. Heretofore there have been two vice-presidents but it was decided to have but one hereafter. Fred C. Schad was reelected secretary and H. M. Giles, Millers National, treasurer. A. I. Bushnell and A. A. Kruger, Millers National, were elected assistant treasurers.

Board of Directors

The board of directors now consists of Mr. Clark as chairman; F. J. Breen, Standard of New Jersey; L. W. Brown, Firemen's; H. M. Giles, Millers National; J. C. Hiestand, Ohio Farmers; W. D. Reed, Northwestern National; E. E. Soenke, Security of Davenport; S. F. Weiser, Dubuque F. & M., and W. E. Wollaeger, Concordia.

It had been proposed by the subscribers actuarial committee that frame hotels and season resort properties of all types be eligible to be written for a term of years at the reduced rates. This was approved.

Mr. Clark expressed a very earnest desire to be relieved of the presidency but sufficient pressure was brought to bear on him to continue in the office which he filled with great luster and credit to himself.

President J. R. Cooney of the Firemen's group and Mrs. Cooney were present at the meeting. Vice-president Herman Ambos of the Firemen's was also on hand but was called to Chicago on account of the death of his brother.

Inglis Heads Sprinkled Risk

E. S. Inglis, Corroon & Reynolds, was elected president of the Western Sprinkled Risk Association. L. P. Tremaine, Pacific Fire group, and J. C. Hiestand, Ohio Farmers, were chosen vice-presidents; H. M. Giles, Millers National, vice-president and treasurer.

The executive committee consists of H. A. Clark, Firemen's, chairman; Mr. Inglis, Mr. Tremaine, Mr. Hiestand, Mr. Giles, V. L. Gallagher, Pearl Assurance, R. R. Wilde, Corroon & Reynolds, R. W. Wetzel, Northern of New York, E. E. Soenke, Security of Davenport, W. E. Wollaeger, Concordia, H. J. Thomsen, Corroon & Reynolds, and W. A. Waters, Pacific National.

Ray H. Odom, Rusk, Tex., attorney, has been placed in charge of the U. S. F. & G.'s San Antonio service office.

Give "Before Reinsurance" Figures for 23 Carriers

Recently the reinsurance figures of various leading companies were published, showing the amount of reinsurance carried in other companies on Dec. 31, together with the net premiums written in 1936. However, this did not give an accurate index of real volume, because some of the reinsurance is on term business.

It is recognized that the usual figures on net premiums written for a given year do not represent the real activity of a company in the field. The policy of some companies is to reinsure heavily, and of others to carry relatively large net lines. Company fleets in particular are apt to reinsure freely within the fleet.

The annual statement blanks do not give net premiums written, before reinsurance and after deduction of return premiums on canceled policies. The figures given on the blank are gross premiums written, return premiums and cancellations, reinsurance premiums, total deductions and net premiums. In order to give a glimpse of actual field activities the net premiums written, after cancellations, but before reinsurance,

have been worked out for the companies that were included in the former exhibit of reinsurance outstanding. In the following table the first column shows net premiums before reinsurance, and the second net premiums after reinsurance. The second column gives the figures commonly shown as "net premiums written."

	Net Before Reins.	Net Prems. Written
Aetna (Fire).....	\$19,755,265	\$17,176,274
American.....	15,572,676	12,004,559
Automobile.....	13,772,094	11,285,737
Hartford.....	38,847,416	32,980,660
Continental.....	21,726,720	18,477,436
Fire Assn.....	12,865,452	8,734,923
Fireman's Fund.....	20,544,393	16,325,909
Glens Falls.....	8,075,214	6,177,450
Great American.....	19,744,564	13,014,051
Home.....	84,377,500	56,507,068
No. America.....	27,227,455	22,371,407
Liv. & Lon. & Gl.....	18,772,162	8,655,292
National.....	18,320,040	14,316,815
National Union.....	26,563,215	6,882,508
North British.....	8,834,580	6,730,251
Pearl.....	14,850,466	7,690,483
Phoenix, Htd.....	16,304,165	8,289,614
Queen.....	13,549,170	8,861,907
Royal.....	32,765,497	8,836,418
Springfield.....	48,245,472	11,809,162
St. Paul.....	14,456,556	10,676,790
Travelers.....	28,025,840	11,918,295
United States F.....	12,347,221	9,262,421

President Kennedy Replies

The Rochester, N. Y., controversy rolls merrily on. THE NATIONAL UNDERWRITER in telling about the conditions there and the charge that excess commissions were paid, published a statement from a correspondent to the effect that the James Johnston Agency in that city had been one of those that refused to accept excess commissions. President S. R. Kennedy of the Buffalo objected to that part of the article which spoke of any excess payment as a "bribe." He also controverted the statement that the late Mr. Johnston scorned excess commissions. Austin F. Grab, head of the James Johnston Agency in a sharp rejoinder declared that President Kennedy was very wobbly with his facts and deplored his reflection on Mr. Johnston's memory.

Letter from President Kennedy

President Kennedy takes up the cudgels as follows:

"On my return from an agency trip in Mississippi I read with combined interest and amusement THE NATIONAL UNDERWRITER's interview with Austin F. Grab of the James Johnston Agency of Rochester, N. Y., which manifestly calls for a rejoinder.

"Mr. Grab denies that the Buffalo was practically sandbagged in 1924 into raising Mr. Johnston's commission from 15-20-25 percent flat to 30 percent and 10 percent contingent. His denial, how-

ever, carries little weight with me. He draws a picture, not without its comic aspect, of E. B. Eggert, a vice-president of the Buffalo, struggling without success for two years to persuade Mr. Johnston, his brother-in-law, to accept the increased commission and contingent, and finally breaking down Mr. Johnston's resistance and without any compensating benefit, triumphantly increasing the cost of the Buffalo's Rochester business by about 50 percent. Fortunately the Buffalo was never run on that basis.

Significantly Suggestive

"Mr. Eggert and Mr. Johnston are both of them dead, but the improbability of any such story as Mr. Grab recounts can best be answered in the current vernacular by, 'Oh, yeah!' Mr. Grab is very likely an honest gentleman who was not acquainted with the demands of his boss upon the company of his boss's brother-in-law. Mr. Grab's name—perhaps he writes under a nom-de-plume—is significantly suggestive of the attitude of the late Mr. Johnston toward the Buffalo.

"My original statement stands unaltered."

E. M. Johns has acquired the insurance business of Reuben Lord & Co., New London, Conn., operated until her death by the late Jennie L. Doyle.

Companies Beaten in Riot Litigation in Milwaukee

PLAN SUPREME COURT APPEAL

Six Carriers Sought to Recover from City After Paying Tram Company Under Riot Covers

MILWAUKEE, May 26.—Holding damage to property of the Milwaukee Electric Railway & Light Co., during the street car strike in June, 1934, resulted from acts of the company's non-striking employees, a jury in Milwaukee circuit court returned a verdict rejecting the claim of six companies which wrote riot coverage on the properties, against the city of Milwaukee. The companies which sued for \$2,417 paid by them on the policies were the Northern of London, Hanover Alliance, St. Paul Fire & Marine, Commercial Union and the Home of New York.

They are represented by the local firm of Wolfe & Hart. Counsel indicated an appeal will be taken to the Wisconsin supreme court.

The companies paid the utility more than \$6,000 for damages resulting from the strike at various plants in the city and suburbs. The first case was against the city of Milwaukee to recover \$2,417 for damages to street cars and buildings in the city, claim based on the ground that adequate police protection was not provided for properties within the city limits. The balance of the claims against the suburbs where other properties damaged in the strike are located, will be pressed if the companies should prevail in the high court.

J. A. Brennan Dies Suddenly

J. A. Brennan, Chicago, assistant secretary William H. McGee & Co., inland marine underwriters, died May 25 of a cerebral hemorrhage, while visiting Louisville. He became ill early in the morning and was attended by a hotel physician, complaining of a very severe headache. His condition did not appear to be serious. Later in the day S. C. Shaw, local agent, visited his room and, being unable to secure response, employees of the hotel opened the door and found Mr. Brennan unconscious. He died soon afterward.

Illinois Anti-Separation Bill

SPRINGFIELD, ILL., May 26.—House bill 873 introduced this week is an anti-separation measure and is almost a copy of the famous Indiana act which was passed two months ago. It was introduced by Representative J. A. Palmer, a local agent at West Frankfort. It prohibits any two or more companies from entering into an agreement which would prohibit an agent from representing any other company. It has been referred to the insurance committee.

COOLING - GRUMME - MUMFORD CO., INC.

General Agents for Indiana:—

American Equitable Assurance Company
New York Fire Insurance Company
Manhattan Underwriters Agency
Standard Insurance Company of New York

Indiana Insurance Company
Associated Indemnity Corporation
American Fidelity & Casualty Company
Switzerland General Insurance Company, Ltd.

writing

All lines of Fire, Automobile, Casualty and Inland Marine Insurance

Excellent facilities for coverages on LONG HAUL TRUCKS

Liberal Commissions

AGENTS WANTED IN INDIANA

BROKER'S ACCOUNTS SOLICITED

CONSOLIDATED BLDG., INDIANAPOLIS

Gives New Conception of Premium Financing Value

UNIFORM PLAN SIGNIFICANT

First Bancredit Executive, Addressing General Agents, Shows How to Boost Income, Improve Coverage

DENVER, May 26.—Premium financing has a more significant potentiality than merely easing the way for assured who are hard up at the moment, according to A. F. Soucheray, Jr., vice-president First Bancredit Corporation of St. Paul, who addressed the annual meeting of the American Association of Insurance General Agents here this week. Financing of premiums, he asserted, offers agents opportunity to increase their incomes and to cover more comprehensively the needs of their assured.

Premium financing has not been widely accepted, he said, because heretofore no single, uniform, low cost plan has been available on a nation-wide basis. In some sections, companies and general agents offer plans covering only policies written in the office companies. These plans have different terms and rates. Some times finance charges are waived or are set at whatever the traffic will bear. The terms are frequently not adhered to, but are some times rearranged so there is actually insufficient collateral protection supporting the note, invoice contract or other evidence of indebtedness.

High Rates, Complicated Forms

Many independent local premium finance companies are operating. Most of their plans are founded on high rates and complicated forms and usually the guaranty of the agent is required. They base their rates on discount charges ranging between 10 and 15 percent simple interest. Assured must deposit their policies with the finance company and a mortgage waiver receipt is required.

Mr. Soucheray expressed the belief that a finance plan, to afford the greatest advantage to companies and agents, should be uniform. It is now possible to have a plan where terms have been so arranged as to fit the requirements of every assured. Rates have been established so they will never exceed 6 percent simple interest and reducing to as low as 4 percent depending on the size of the premium. Policies of more than one company may be included in one invoice and the assured no longer surrenders the policies. It is not necessary to obtain a mortgage receipt. The invoice agreement signed by the assured does not contain a power of attorney.

Converting to Term Basis

Whenever it is possible to arrange a conversion of an annual policy to a three year term, the agent who fails to bring it to the attention of his client is remiss, according to Mr. Soucheray. It is possible now to finance a three year term policy with monthly or annual payments and with a saving after financing of better than 12 percent of the annual premium.

Mr. Soucheray said premium financing on its present basis is sound. Over a period of years on the total accounts handled by First Bancredit, cancellations for default of payment of premium have been less than 1 percent. He expressed the belief that such a good record is attributable to the fact that the appearance of a third party as a collector is effective and because periodic payments fit into the purchaser's income picture.

With rising prices, the insurance coverage should be increased. Agents find difficulty in persuading assured to buy currently adequate cover, however, he said. Premium financing should aid in this endeavor.

Many assured, who formerly bought on the term basis, switched to annual

policies in the depression. By offering a finance plan, agents can reconvert many of these. Even cash purchasers of term policies frequently prefer buying out of income rather than capital. They may welcome the opportunity to turn money over in their businesses profitably.

Premium financing can help in the sale of side lines.

Agents are learning to capitalize through the use of a finance plan on the possibility of consolidating as of one date the different forms of coverage they are writing for their clients he said. This arrangement reduces the agent's

cost of operation and the customers like it.

Alert producers, he said, are offering a simple and inexpensive plan to all assured, thus permitting them to budget insurance needs, have all maturities as of one date and use the additional time to develop new lines.

J. T. Keegan's Anniversary

NEWARK, N. J., May 26.—July 1 marks the 25th anniversary of service of J. T. Keegan, with the Salvage Corps, which is under the supervision of the Underwriters Protective Association of

which W. A. Hall, Jr., is president. Mr. Keegan has been with the corps since 1912 and has been superintendent since Jan. 1, 1928. Mr. Keegan is given credit for having done much to bring about standards which are used as models in other parts of the country.

Address Brooklyn Brokers

"Casualty Insurance from an Inspection and Engineering Standpoint," was the subject of an address by R. B. Williams, safety engineer Zurich, before the Brooklyn Insurance Brokers Association.



TEAMWORK

Down the stretch—number three is driving hard. Coming up fast on the right—baton in his left hand. His teammate ready on the back line—right hand outstretched. Number four begins to move—gathers momentum.

Contact! The baton is passed and the anchor man is away at top speed. No fumbling—no confusion—no waste time.

It is such coordination—learned by long practice—that wins races. And it is that kind of experienced teamwork that cements pleasant and profitable relations between

good companies and good agents.

The 84-year-old Agricultural is proud of its many long-time agency connections. We like to think that we enjoy such loyalty because we try always to deserve our reputation as "Friendly Folks." That nickname to us symbolizes cooperation—teamwork—and wholehearted support to agents' activities.

* * *

The Agricultural and the Empire State are in step with the American Agency System. We believe in it! We would like to work with more first rank agencies. Can you use us?

Agricultural
Insurance Company,
of Watertown, N.Y.

Empire State
Insurance Company,
of Watertown, N.Y.

EVERY TYPE OF PROPERTY INSURANCE FOR INDUSTRY AND THE HOME

Danger of Direct Writing Will Be Well Presented

BOSTON AGENT PROMOTER

New Association Will Include Those
Who Buy Insurance Through
Agents or Brokers

C. C. Hewitt of the enterprising Boston agency of Boit, Dalton, Church & Hamilton is a live wire in insurance and is making himself felt in many ways. He spoke this week before the insurance division of the American Management Association at Atlantic City. The Massachusetts Association of Insurance Agents, through its executive committee and a special committee of which Mr. Hewitt is chairman, is starting a new organization endeavoring to have in it all persons that place their insurance through agents and brokers. Mr. Hewitt has seen the danger of direct writing and wants to counteract this movement.

Was Insurance Accountant

This new organization will attempt to arouse public opinion in support of insurance placed through a production system. All lines of insurance will be covered. It will point out the growing danger of cooperatives and it will show that the direct writing companies while selling at a price do not give real service. A. E. Latshaw of Newtonville, Mass., a Boston suburb, is manager of the new organization which will be called the Service Men's Productive Association. Mr. Latshaw is an insurance accountant. For some years he was chief accountant of the Pennsylvania insurance department. He intends to travel through Massachusetts in the interest of the new organization and get members.

Former Commissioner to Speak to Texas Agents



R. B. COUSINS, JR., Austin, Tex.

R. B. Cousins, Jr., former insurance commissioner of Texas and well known to the fraternity at large, will speak before the annual meeting of the Texas Association of Insurance Agents this week on the "Supplemental Contract." He is secretary of the Texas Fire Prevention Committee.

Augusta Record Improves

AUGUSTA, GA., May 19.—This normally "hot" town, into which insurance companies for years have poured money has done an about-face. For 1936 the fire losses were only \$26,000 against a fire premium income of over \$400,000.

Agents of South Carolina Hear Cooperatives Attacked

W. OWEN WILSON IS SPEAKER

Association at Annual Meeting in Sumter Elects J. H. Woodside President to Succeed J. M. Green

OFFICERS ELECTED

President—J. H. Woodside, Greenville.
First Vice-president—J. M. Richardson, Hartsville.
Second Vice-president—L. A. Grier, Spartanburg.
Secretary—J. T. Hudson, Spartanburg.
Manager—J. F. Stuckey (Reelected).
Publicity director—W. H. Lawrence, Anderson (Reelected).
Executive committee—J. M. Green, chairman; Broadus Bailey, Greenville; H. J. O'Neal, Charleston; W. H. Goldsmith, R. M. Kennedy, Jr., Camden; H. P. Moses, Sumter; W. B. Dunlap, Rockhill, and Mr. Woodside, Mr. Richardson and Mr. Grier.
National Councillor—S. F. Cannon, Spartanburg.

The South Carolina Association of Insurance Agents at its annual meeting in Sumter heard several nationally known speakers and elected officers. J. M. Green retired as president.

In his address Mr. Green called attention to various disturbances in the nation. He particularly urged local agents to carry on in placing the business on a professional level.

Speakers on the program included President W. O. Wilson, National association; Manager F. C. Wendt, the Atlanta office First Bancredit Corporation; Secretary-Manager L. T. Wheeler, Southeastern Underwriters Association; Manager S. G. Otstot, North Carolina association, and Assistant Agency Director J. D. Hall, U. S. Fidelity & Guaranty. At the banquet on the night of the first day's session, with 200 guests present and Past President Moses presiding, agents heard addresses by Mayor F. B. Creech and W. M. Manning of Sumter, the latter speaking on "The Laymen's Conception of Insurance." At the executive session Commissioner King and Attorney J. B. Murphy addressed the convention.

Past President Scott Nixon of the Georgia Association of Insurance Agents was a visitor.

Secretary-treasurer J. H. Woodside of Greenville made a report which showed the association in good shape financially. Vice-president J. M. Richardson of Hartsville reported on the mid-year meeting of the National association.

Wilson Plays Co-Ops

National President Wilson dealt with importance of local boards and the danger of cooperatives. An address on premium financing was made by Mr. Wendt, who assured the convention that all differences between his company and the National association had been ironed out. A letter was read from the First Bancredit Corporation stating these differences had been settled, Mr. Wilson confirming this.

Secretary-Manager Wheeler of the S. E. U. A. brought greetings from his organization.

Banquet Is Held

At the banquet W. M. Goldsmith, Greenville, charter member of the association, life member, past president, honorary member of the executive committee and honorary member of the North Carolina association was presented a silver service. The body was addressed by Mr. Otstot on "The Importance of Local Boards." This was followed by discussions. Mr. Hall gave an excellent talk on "Pause-Think-and-Act."

The convention received the report of

General Agents Viewed at Mile High Meeting

Those attending the meeting of American Association of Insurance General Agents in Denver who arrived Sunday were kept pleasantly occupied that day. Several of the Denver people opened the headquarters room Sunday morning as a rallying point, then there was lunch at Denver Country Club and tea, etc., at the home of Herbert Cobb Stebbins, secretary of the association.

* * *

D. N. Iverson, assistant U. S. manager Century of Scotland, was one of several company executives on hand.

* * *

William Quaid, vice-president Home of New York, the banquet speaker Monday, left by plane Tuesday morning so as to reach New York in time for the function honoring Wilfred Kurth, chairman of the Home.

* * *

Mrs. Raymond Stebbins was supervisor of registrations. Her husband, one of the four Stebbins brothers, is with the Stebbins Insurance Agency, formerly known as the Mountain States Agency. Leonard Stebbins is also with that firm. Brothers Herbert Cobb Stebbins and Eugene Stebbins are with the Cobb & Stebbins agency, as is their father, H. F. Stebbins. Clarence Cobb is an uncle of the Stebbins brothers.

* * *

Frank H. Newman, assistant U. S. manager General of Paris, the reinsurance company, was present. The General is planted in several important general agencies. H. D. Haupt, who operates a reinsurance office in San Francisco, representing the General, was on hand, too.

* * *

F. S. Dauwalter, the ubiquitous B. D. O. director, had a busy schedule in Denver. Last Thursday he addressed the local agents of the city and Friday the field men. W. L. Braerton drove him to Estes Park, where he passed the week-end. He was brought back to Denver Sunday evening and addressed the opening session of the convention. Then to Dallas.

* * *

The Denver general agents had invited the local agents of the mountain states to attend the business sessions and a good many turned out. Several field men also attended.

* * *

Secretary H. C. Stebbins read a telegram of greetings from Reeve Burton, president Colorado Association of Insurance Agents, and William Deans of Selbach & Deans general agency, San Francisco.

* * *

Samples of a neat plaque for hanging in the office of members were displayed in Denver. The design is the same as the emblem used by the members on their stationery. It was prepared at the suggestion of Langdon Quin of Atlanta.

Buffalo Group Changes By-laws

The Buffalo Association of Fire Underwriters has adopted several changes in its by-laws, among them being an increase in membership fees from \$25 to \$200. Minimum assessment has been raised from \$10 to \$20.

The association leaders recommended a uniform differential of 10 percent between agency and brokerage commission, or in effect, an increase of brokerage to 15 percent on the 25 percent class. The Buffalo body criticized companies paying excess commissions and will not cooperate with them until they bring their practices into line.

the resolutions committee which was adopted. It endorsed the Hobbs bill in Congress, designed to bar the mails to unlicensed companies.

Miscellaneous Notes

E. S. Hill of the Hill & Gore agency at Cairo, Ill., died the other day, he being 45 years of age.

A. M. Wilder, 58, Shreveport, La., local agent for many years, died following several months' illness.

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1869



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\$3,000,000.00

NEW HAMPSHIRE FIRE INSURANCE
ALWAYS A SYNONYM FOR
STABILITY, SERVICE AND THE SQUARE DEAL
TO AGENTS AND POLICYHOLDERS

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ORGANIZED 1885

CAPITAL \$1,000,000.00

Big Entertainment Program for Commissioners Meeting

MANY ATTRACTIONS OFFERED

Secretary Read Announces Elaborate Arrangements Made for Annual Session at Philadelphia

OKLAHOMA CITY, May 26.—Commissioners and guests who attend the annual convention of the National Association of Insurance Commissioners at Philadelphia, June 21-23, will find that city in the midst of a celebration commemorating the 150th anniversary of signing the Constitution, which will add to attractions of the extensive entertainment program announced by Secretary Jess G. Read, Oklahoma commissioner.

Convention headquarters will be established at the Bellevue-Stratford hotel, Broad and Walnut streets, where business sessions will be held each morning of the three convention days. The time used in all announcements will be eastern daylight saving time.

The program as announced includes the following entertainment:

Varied Entertainment Program

Sunday afternoon, June 20 a baseball party, Athletics vs. Detroit, at Shibe park, 3 p. m., for early arrivals.

Monday afternoon, June 21, a fire protection display will be given at the Betsy Ross House, birthplace of the American flag. The same evening an informal reception will be given on the Bellevue roof at 9 o'clock by Commissioner Hunt of Pennsylvania, to which all are invited.

Tuesday afternoon, motor coaches will be provided for a sight-seeing trip for all delegates. The same afternoon golf privileges will be extended at the Merion Cricket Club (East course) and the Pine Valley Country club for those preferring this pastime. An interesting event will be the Pamunkey tribe ceremonial at 9 p. m., on the Bellevue roof. A golf tournament at the Philadelphia Country club (Bala course) following a luncheon at the club for contestants, will feature the Wednesday afternoon activities; and Wednesday night, the formal banquet in the Bellevue ball room is scheduled.

Recreation for Ladies

A daily program of ladies' entertainment is being arranged by the local committee headed by John Stevenson, general chairman, to include luncheons, sight-seeing and shopping tours, a reception Monday evening and a formal banquet.

At 11:30 Thursday morning, busses will be available at convention headquarters for a trip to Atlantic City, where the party will register at the Ambassador hotel. A shore dinner will be served at the famous Hackney's restaurant at 6:30 p. m. The rest of the evening will be reserved for members of the party to follow their individual plans.

Breakfast at the Ambassador will open the Friday events, after which time will be allowed to visit the board walk, surf bathing, Steel pier and other things of interest. Arrangements can be made for visitors to start their return trip from Atlantic City for those who do not care to return to Philadelphia.

Atlantic City Reservations

Hotel accommodations for Thursday evening in Atlantic City will be provided commissioners and other representatives of the insurance departments, also for their families.

In order successfully to execute this program it is imperative that committees in charge complete arrangements well in advance of the opening day. To accomplish this, registration cards must be filled out and returned to the general chairman at once by all expecting to attend, even though previous reservations

In New Post



HARRY E. McCLAIN, Indianapolis

Former Insurance Commissioner H. E. McClain of Indiana now gets into the insurance business on both feet, becoming manager of the insurance department of the Union Trust Company of Indianapolis. He was one of the most popular of the commissioners during his term of office. He is not new to insurance as before his appointment he was manager of the insurance department of the Farmers National Bank of Shelbyville, Ind.

have been made. Definite arrangements, based on registration cards received, will be completed the first week of June. These cards will be listed in the order received.

Motion Picture Camera Ruling

Members of the Inland Marine Underwriter's Association may hereafter issue policies for a term of three years at $2\frac{1}{2}$ times the annual rate on schedules of motion picture cameras and sound equipment involving insured values of \$150,000 or more, according to a decision just made by the executive committee of the organization.

Mrs. A. F. Cherry, head of the Cherry Insurance Agency of Carbondale, Ill., has bought the Renfro-Hall agency.

Dumont Eyes Significance of Hiram Walker Ruling

LIMIT OF LIABILITY ISSUE

I. U. B. Manager Discusses Two Theories as to Reporting Form in Talk to General Agents

DENVER, May 26.—The interesting question of whether under a reporting form of contract the insurer can be held for a loss beyond the limits stated in the contract if the assured pays a premium on that extra value was treated by J. R. Dumont in his appearance before the meeting of the American Association of Insurance General Agents. Mr. Dumont is manager of the Interstate Underwriters Board. He did not undertake to give the answer, but described the two schools of thought and discussed how the issue was resolved in the famous Hiram Walker Peoria loss.

Should Use Full Value as Basis

One theory, he observed, is that assured should pay the premiums on the full values, even though they are in excess of the stipulated limits because under the reporting form the assured is enjoying several advantages. The reporting form is much broader than the ordinary contract. It gives automatic pickup at new locations between reporting dates. There is the provision for averaging values. Certain usual clauses are waived. Those who drafted the contract intended that the company should receive a premium on 100 percent to value and throughout the contract there is reference to the fact that the limits of recovery are the stipulated limits of liability.

Second School of Thought

The other school of thought contends that if a premium is collected on account of values in excess of the limits stated, the insurer is liable to be "caught" for a loss in excess of the limits.

Mr. Dumont said the issue has been projected only once, that being in the Hiram Walker case.

The limit of liability on the liquor in the reporting form was \$1,500,000. The last report of values at the warehouse before it was destroyed was for \$600,000. At the time of the disaster the values were \$2,500,000. The assured made claim for recovery on the basis of the full values at the time of loss.

On the advice of attorneys the com-

panies decided to collect a premium on the basis of the full values and stand on the contract. Federal Judge Barnes ruled that there was no ambiguity in the contract, that the fact that Hiram Walker paid the premium did not indicate it was the intention of the parties to increase the limits. That ruling, Mr. Dumont observed, did not get the test of appeal and some companies are still "jittery." It is possible, he said, the contract will be revised to tie in the adjustment of loss to the policy limits rather than to the total values and to provide that premium be not collected beyond the limits.

Mr. Dumont also discussed some aspects of the supplemental contract. He referred to the current efforts on the part of the four regional organizations to produce a uniform supplemental contract. The I. U. B., he said, will wait until that work is completed.

Such a contract will have to be altered in some respects for attachment to reporting forms.

Lively Discussion

A lively discussion ensued. L. E. English, Richmond, Va., brought up the troublesome issue that is caused by the requirement that following a loss due to a hazard in the supplemental contract, the reinstatement premium is calculated upon the total cost of the package, including fire. He said the supplemental contract has not proved as popular in Virginia as in neighboring states where the rates are higher, because after a windstorm loss, the fire cover must be reinstated.

H. C. Conick, assistant U. S. manager Royal-Liverpool groups, took a hand in answering some questions concerning the excess feature of the reporting forms. Others participating in the discussion were Sam Stewart, Tulsa; John O. Smith, Dallas, and J. K. Shepherd, Little Rock.

Development of Business Told

W. S. Crawford, insurance editor of the New York "Journal of Commerce," is author of a book called "The Background of Fire Insurance." Every insurance man should be posted these days on insurance in this country and how it has been developed. Mr. Crawford gives an analysis of the various elements making up the fire insurance business. It is not a history but a presentation of facts and principles in the light of past developments and present conditions. It is a book that is good reading and is very informative. It is sold by THE NATIONAL UNDERWRITER at \$2 a copy.

When thinking of
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SAN FRANCISCO, CAL.
114 Sansome Street

EDITORIAL COMMENT

Service of the General Agents

THE AMERICAN ASSOCIATION OF INSURANCE GENERAL AGENTS held its annual meeting at Denver this week and as its gatherings are reviewed from year to year one cannot but be impressed with the remarkable progress that has been made in this particular organization. The general agents have grown in number and authority. Fortunately this association recognized that its deliberations and petitions would amount to but little unless its membership was confined to simon pure general agents. We have had from time to time in the past seen so called general agents that were really excuses for paying general agency commissions to local agents. When, however, the general agents' body adopted a clearance rule so that the double decked arrangement would disqualify anyone for membership, its power and influence immediately rose.

There is a distinct field for general agents that do not do a local business but supervise local agents. They are

particularly useful in fields distant from headquarters where state or sectional conditions need personal acquaintance and knowledge. Furthermore, many company executives have seen the advantage of appointing general agents or some of their affiliates and thus getting more individual treatment and more business than they would if bunched together. General agents keep in intimate touch with their territory and agents. They are able to give first hand and first rate service on the spot. Naturally they believe earnestly and sincerely in the American agency system because their fortunes are tied up with the resident local agents. It has certainly been proved that general agents are efficacious in territories that need special treatment and supervision.

The programs provided by the AMERICAN ASSOCIATION OF INSURANCE GENERAL AGENTS are stimulating, inspiring and educational. It is an organization of which the fraternity can well be proud.

Getting at the Seat of Trouble

LEON S. SENIOR of New York City, president of the CASUALTY ACTUARIAL SOCIETY, in his address at the annual meeting made some very pertinent observations on automobile insurance, declaring that it should be the aim of insurance companies to bring in a larger block of uninsured owners without having compulsory automobile insurance laws enacted. There is something out of line in the present method of rating automobiles for personal liability and property damage because the careful and careless driver are in the same category.

We do not get at the seat of those that really cause accidents that could have been prevented. As Mr. SENIOR points out, the rating formulae today are limited to physical conditions relative to territory, make, model and usage of the car. That has a very great bearing, of course, but it is not comprehensive. Mr. SENIOR declares

that other factors should be considered such as moral hazard, character, sex, age and other qualities not only of the owner of the car but all who drive.

There certainly are distinctions in desirability of automobile risks. Companies can well afford to give preferential treatment to the careful driver who has a record of high excellence. The merit rating plan that was put into effect was butchered and never had a fair trial. An equitable rating plan, as Mr. SENIOR points out, can give justifiable distinction. The automobile driver whose record is bad and whose sense of responsibility is dull should be penalized in some way. If those that have a record for causing accidents would be penalized and those that have a record for not causing accidents could be favored there would be a counteracting influence against the agitation for legislation requiring compulsory insurance.

H. A. Clark's Wise Observations

H. A. CLARK, vice-president and western manager of the FIREMEN'S, who is president of the WESTERN INSURANCE BUREAU, at meetings of the organization, gives a statesmanlike presentation of some of the principles of insurance, practices and problems and he does not hesitate to make constructive suggestions. Mr. CLARK possesses a keen and penetrating mind and with his experience and versatility in expression is able to set forth some observations that are worth while.

In his talk at the recent Asheville meeting he made it plain that while officials and agents may differ as to underwriting methods and policies there should be no division in the house when it comes to standing for those few fundamentals that constitute the basis of successful insurance operations. Regardless of affiliation there is a moral obligation that Mr. CLARK emphasized, which is imposed on all.

Speaking of one point that is quite noticeable today because it is due to the

low loss ratio of the last two or three years, he stated that undue profit in insurance or any other industry always leads to plunging, violation of economic and underwriting standards, unfair competition and increased expense. A condition of this kind means that there is less selection at the source, there is greater laxity in underwriting methods and application of the

principles that have guided successful institutions. Then when the situation becomes dangerous there is a sharp and drastic swing to the other direction which has a disturbing effect. As Mr. CLARK put it, "Those in charge of company affairs should keep their heads up and their feet on the ground refraining from becoming overly ambitious."

Caledonian As the Host

INSURANCE people are always interested when a company management takes a step that makes its tenure more permanent and does something of distinction that brings it to the front. Hartford is a most important insurance city. It has the ring of stability and solidity about it. The CALEDONIAN has its United States headquarters there in charge of Manager R. R. CLARK. It has erected a very tasty building which will house the United States activities. It is to be dedi-

cated and formally opened June 2. In the evening there will be a banquet given by the general manager at the head office, F. J. CAMERON, in honor of the chairman and deputy chairman of the board, who happen to be in this country. The CALEDONIAN has moved along in an orderly way and has always given a good account of itself. It has proven a most desirable adjunct to the ranks of the Hartford insurance people's colony.

PERSONAL SIDE OF BUSINESS

H. W. Chesley of Chicago, assistant manager of the Western Underwriters Association is at Martinsville, Ind., recuperating from infection caused by his teeth. He had seven or eight extracted and has been taking treatments to get his physical condition back to normal. He has been off the reservation since the annual meeting at White Sulphur Springs.

M. W. Carruth, 75, pioneer Florida agent, died. He entered the business in 1887 and was active in the Tampa firm of Woodward, Crowder & Carruth. He was active in finance as well.

H. G. Casper of New York City, United States manager of the Eagle Star, was in Chicago last week attending the dinner in honor of George W. Blossom of Fred S. James & Co. He then went to Denver to attend the annual meeting of the American Association of Insurance General Agents. His next stop was at Salt Lake City and from there he is going to San Francisco and other coast points.

Imogene Sturgeon of Springfield, Ill., is to be married June 19 to Edwin L. Boynton of Peoria, Ill. She is the daughter of O. H. Sturgeon, state agent of the Pearl, and Mrs. Sturgeon. Mr. Boynton, who is employed in the credit department Caterpillar Tractor Co., is a son of Dr. and Mrs. L. V. Boynton of Peoria.

C. N. Hunt, who retired recently as Cook county special agent of the Great American group, is now living at 512 Platte street, Colorado Springs. Accompanied by Mrs. Hunt, he took a short automobile trip before settling in the Colorado city.

Van B. Higbee, Kansas and Oklahoma special agent of the Hartford's hail and farm department with headquarters at Wichita, is forced to use a cane to get around as a result of a dislocated bone in his foot. Mr. Higbee

believes he suffered the injury while deer hunting in New Mexico last fall when he stepped on a rock when dismounting from his horse. His foot pained him at the time but seemed to be nothing serious until last week when it became swollen and the pain returned. Being in the middle of the largest hail season in six years, Mr. Higbee is greatly handicapped.

L. B. Palmer, manager Miller-Studebaker general agency, Topeka, Kan., visited Chicago this week. He conferred with W. R. Kirk, field representative for the middle western states for the North British & Mercantile fleet.

R. A. Corroon of Corroon & Reynolds, New York City, and Mrs. Corroon sailed for a European trip joining a party headed by Alfred E. Smith and Mrs. Smith. They will return the middle of June.

A. L. Richardson, secretary Insurance Exchange of Richmond, Va., and former secretary Virginia Association of Insurance Agents, has been confined to his home by illness for the last month. He is planning to undergo an operation soon.

W. C. Kenney, president of the Kenney Co., St. Paul general agency, has been made president of the St. Paul Winter Sports Carnival Association, which will put on the annual outdoor winter fete in St. Paul next January.

The engagement of T. T. Moore, chief examiner of the Virginia department, to Miss Katherine Genevieve Williams of Richmond is announced. Mr. Moore is a son of Frank Moore, prominent local agent of Lexington, Va.

Frank T. Priest of Dulany, Johnston & Priest, Wichita, prominent in the National Association of Insurance Agents, has gone to Galveston, Tex., with Mrs. Priest and their children for an indefinite stay until his health is improved.



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Earlier in the year Mr. Priest spent a couple of weeks at Mineral Wells, Tex., resting and relaxing but suffered an attack of the "flu" upon returning to Wichita. While he has been on the job since March and attended the mid-year meeting at Omaha, he has not been in the best of health and hopes a period of complete rest in the south will restore his "ped."

J. B. Levison, chairman of the board of the Fireman's Fund group, has returned to San Francisco following a month's visit along the Atlantic seaboard. He was particularly interested in the restoration of the old colonial city of Williamsburg, Va.

J. N. Davis, 54, a banker at Gallipolis and member of the agency of Davis & Simms at Oak Hill, died. He had been ill several weeks. Mr. Davis was a musician of recognized ability and was one of the leaders in the Welsh musical activities in southern Ohio.

President **John M. Thomas** of the National Union Fire went to the Llelanau School for Boys near Traverse City, Mich., last week where his son, John M., Jr., is graduating, he being the valedictorian in his class. Young Thomas will matriculate next September at Kenyon College, Gambier, O.

M. L. Clevlen of Poplar Bluff, Mo., prominent local agent and president of the Missouri Association of Insurance Agents, was conspicuous in his city last week when the fifth annual Ozark jubilee was celebrated with many interesting ceremonies. The activities started Friday morning, but the jubilee grand parade on Saturday was the climax. Mr. Clevlen served on the jubilee advisory board, being one of three members. This event at the "Queen City of the Ozarks" celebrates the opening of the vacation season in the Ozark playground.

Anti-Salary Law of Georgia "Out"

(CONTINUED FROM PAGE 2)

different relationship of the two types of companies with the policyholders. In the case of the stock company, it was asserted, the relation is one of contract merely, dealing at arm's length, while in the case of the mutual "the policyholders are the owners of the company and constitute its membership."

The Georgia agents who secured the passage of the act will be astonished by the minority's opinion that the statute was enacted for the encouragement of local mutuals, it being pointed out that no more than 10 percent of the mutual fire companies extend their fields of operation beyond the boundaries of their home state. In Georgia, in 1934, it was said, mutuals carried about 10 percent of the total fire insurance business of the state and of that 10 percent, over one-half was written by Georgia companies.

Mutual Business Minor

"While Georgia does not exclude foreign mutuals and requires them like foreign stock companies, to register and comply with certain statutory rules in order to write business within the state," Justice Roberts said, "It is evident that the total mutual business written in Georgia is of minor importance when compared with the vast amount written by stock companies. This fact in itself may well be a persuasive reason for not extending to agents of mutual companies the requirement that they shall not work upon a salary. When to this is added the fact that ordinarily such agents work on salary because, in effect, they are the agents of the policyholders rather than of independent owners of a stock corporation, it is plain that there is reason for classifying them differently from agents of stock companies. In the light of the

facts the classification of the agents of the two sorts of company cannot be said to be arbitrary or unreasonable, and so to deny the agents of the stock companies the equal protection of the laws."

LEANS TO MINORITY

NEW YORK, May 26.—In the absence from the city of W. H. Bennett, secretary National Association of Insurance Agents, his reaction to the decision of the United States Supreme Court, declaring the Georgia salaried agent law invalid, could not be learned. An editorial upon the subject, captioned "Four to Five" to appear in this week's issue of the "American Agency Bulletin," official organ of the association, will say: "By one of its famous five-four decisions the Supreme Court of the United States has spoken, declaring that the Georgia statute prohibiting a salaried representative of a stock insurance company from writing insurance, is unconstitutional. The majority opinion, written by Justice McReynolds, held the law to be discriminatory because of the exemption of mutual company employees.

Last Chapter Written

"Thus the last chapter in the litigation is written. The statute was attacked by the Hartford Steam Boiler, chosen by lot from the membership of the Association of Casualty & Surety Executives, in the superior court of Fulton county, which declared it unconstitutional. This decision was reversed by the Georgia supreme court, which judgment was reaffirmed upon rehearing.

"Anyone who is familiar with the sparkling dissenting opinions of Mr. Justice Holmes knows that time and again the dissenting opinion outweighs the majority opinion in reasoning and in substance, and that appears to be the case in this instance. Justice McReynolds dismissed the basic difference between stock and mutual insurance on the ground that: 'It is idle to elaborate the differences between mutual and stock companies.'

Dissenting Opinion Favored

"Not so the dissenting opinion delivered by Justice Roberts and concurred in by Justices Brandeis, Cardozo and Stone. This opinion enters into the very heart of the principle of mutualism, wherein the policyholder is a member of the company, and therefore the agent is, in effect, the agent of the policyholders. The justices said:

"While Georgia does not exclude foreign mutuals and requires them, like foreign stock companies, to register and comply with certain statutory rules in order to write business within the state, it is evident that the total mutual business written in Georgia is of minor importance when compared with the vast amount written by stock companies. This fact in itself may well be a persuasive reason for not extending to agents of mutual companies the requirement that they shall not work upon a salary. When to this is added the fact that ordinarily such agents work on salary because, in effect, they are the agents of the policyholders rather than of independent owners of a stock corporation, it is plain that there is reason for classifying them differently from agents of stock companies. In the light of the facts the classification of the agents of the two sorts of company cannot be said to be arbitrary or unreasonable, and so to deny the agents of the stock companies the usual protection of the laws.

Majority Rules

"However, no matter how sound that reasoning may be, it has no weight against the opinion of the five justices who believe 'it is idle to elaborate the difference between mutual and stock insurance.'

"The irony of the whole thing, from the agency standpoint, is that the suit was brought before the highest court on the ground that the law was discriminatory against stock company agents, for whose protection it was enacted."

Lauds Supplemental Form

Lyman M. Drake of Chicago in Constructive Criticism of New Coverage at Mid-year Gathering of Illinois Agents

Calling the supplemental contract the strongest factor in maintenance of fire premiums, Lyman M. Drake of Chicago, in his address before the Illinois Association of Insurance Agents at Springfield, asked the companies to eliminate technicalities and produce, for their own ultimate profit, a salable contract at a rate which will appeal to the public.

With the receding fire loss ratio and consequent reduction in rates, mutual competition, marine companies cutting in on the fire business and the possibility of casualty companies writing the personal property floater, Mr. Drake declared that the supplemental contract or extended coverage constitutes the "ace in the hole" of fire companies. The more liberal the companies are in their treatment of it, he stated, the more likely will it maintain their premium volume.

Increase in Chicago

Interesting and surprising figures on the supplemental contract business in Chicago were quoted by Mr. Drake. With cooperation of a number of large offices, he examined 1,471 consecutive applications, involving \$64,747 fire premiums. Although only 313 risks had the supplemental contract, premiums for extended coverage amounted to \$5,326.

In other words, adding the supplemental contract to less than 20 percent of risks increased total premiums 8 percent. This, according to Mr. Drake, is an indication of what can be done if the supplemental contract is sold to a reasonable percentage of eligible assured.

The best percentage of sale of the supplemental contract was on contents of mercantile and manufacturing buildings, 31 percent of the policies having this coverage. This is probably due to the rate on superior treatment risks as the ratio of supplemental premium to fire premium was only 10 percent while on dwellings and apartments it was nearer 50 percent. It was on 28 percent of the policies covering dwellings, 18 percent of mercantile and manufacturing building policies and on only 8 percent of the household furniture policies.

Sell Before Expiration

The most effective way to sell the supplemental contract, stated Mr. Drake, is to circularize policyholders and give the pro rata cost of adding it to existing policies. Mr. Drake's experience has been that renewal with the extended coverage under such conditions is fairly certain. Stickers attached to the fire policy, calling attention to its limitations and the other coverages available also have been useful.

Larger risks and those of superior construction are being handled more and more through the company associations. The real market for the extended coverage, in Mr. Drake's opinion, lies in household and smaller business risks.

Avoids Technicalities

The most important service of the supplemental contract, according to Mr. Drake, is that it permits agents and companies to remove technicalities from policies, get paid for it and at the same time help the good name of the business. This is particularly true with explosion and smoke damage claims. They have, he declared, caused more ill feeling and compromise settlements than any other features of the standard policy. No assured will ever understand why he will collect for smoke damage if the furnace door flies open and scorching shows outside the fire pot, and will not collect if there is only smoke. Nor can he understand why explosion of a cast iron hot water boiler is covered and explosion of a low pressure steam boiler is not.

The aircraft and automobile collision coverages are spectacular hazards and

help in the sale of the contract, although losses have been trifling. Here, too, Mr. Drake criticized the technical exclusions of the form. If an assured's home is damaged by an automobile, he will never see any justice in paying if a stranger does it and not paying if his chauffeur caused it. In one case which occurred,



LYMAN M. DRAKE

a technicality was met with a technicality and the assured was paid because he owned the car and his wife the home.

Fallen Building Clause

The most important addition to the supplemental contract, continued Mr. Drake, should be the waiver of the fallen building clause. Assured want to be paid whether the building burns and falls or falls and burns. The Hiram Walker case at Peoria and the older Rothschild case in Chicago are good examples of the futility of the exclusion, the only result being that the companies paid the losses eventually and lost thousands of dollars in premiums and good will.

"Outside of the tornado feature," concluded Mr. Drake, "and the aircraft and automobile damage, which in practice are largely subrogation matters, the extended coverage only eliminates what the assured regards as technicalities and for which he would gladly pay say, a 10 percent increase in premium to have eliminated. Even if the companies once in a decade did pay a \$2,000,000 loss, as at Peoria, they would have plenty of profit. The tornado coverage, of course, should be charged for in accordance with the hazard in the district where the policy covers."

Standard Policy Revision

Mr. Drake, who is chairman of the National Association of Insurance Agents committee on revision of the standard fire policy, closed his talk with remarks on the complicated condition of the policy today, some cases requiring as many as ten signatures. It takes, he stated, one line to say "does insure against all direct loss or damage by fire" and 112 lines and a few more to say what it does not insure, and then about 112 more lines to say that the exclusions do not mean what they say. To explain what the eight different classifications of the extended coverage do and do not cover will require eight times 112 lines.

W. W. Bradt of W. C. Bradt & Son of Milwaukee is devoting part of his time to the local business and part as special agent for the Federal Union. The firm has moved to 152 West Wisconsin avenue, in larger quarters.


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Carroll Slated for Presidency

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an Active Worker

FORMER EDITOR, LAWYER

A. E. Faulkner Named for Executive
Chairman in Slate Offered by
Committee

WHITE SULPHUR SPRINGS, May 26.—Sam C. Carroll, vice-president Mutual Benefit Health & Accident, chairman of the executive committee for the past year, and long one of the most popular, energetic and resourceful workers in the organization, undoubtedly will be elected president of the Health & Accident Underwriters Conference at the closing session of its annual meeting here.

The slate recommended by the nominating committee is: President, S. C. Carroll, Mutual Benefit Health & Accident; chairman executive committee, A. E. Faulkner, Woodmen Accident; first vice-president, J. M. Powell, Loyal Protective; second vice-president, L. D. Cavanaugh, Federal Life; secretary, E. A. McCord, Illinois Mutual Casualty; executive committee: Paul Clement, Minnesota Commercial Men's; O. B. Hartley, Great Western (both re-elected); George R. Kendall, retiring president.

Mr. Carroll was born Oct. 1, 1883, at Union Star, Mo., and with his widowed mother and one younger brother moved to western Kansas in 1895. He worked as a printer's devil and after graduation from Stockton high school moved to Greeley, Colo., and worked as reporter, advertising solicitor and printer on the Greeley "Tribune." In 1905 he returned to Stockton, Kan., started a newspaper and operated newspapers there and at Grinnell and Abilene, Kan. Then he turned book agent and sold books and subscriptions to farm papers over a good part of Kansas. He located in Topeka in 1913, sold advertising and worked as a printer on the daily newspapers. He now has an honorable withdrawal card from the International Typographical Union.

Entered Accident-Health "To Get Grocery Money"

He graduated in law from the Peoples College, Fort Scott, Kan., at the age of 37, was defeated by 400 votes in his candidacy for judge of the city court of Topeka and started law practice but says he was unable to make a living and took up the selling of health and accident insurance to get grocery money. He was invited by Frank L. Travis, Kansas superintendent of insurance, to become his deputy in February, 1921, and after leaving the Kansas department, became special assistant to Dr. C. C. Criss of the Mutual Benefit Health & Accident in 1923. Seven years later he was elected executive vice-president of that company. He has two sons and one granddaughter, of whom he is very proud.

The nominating committees are: C. W. Young, Monarch Life, chairman; L. D. Cavanaugh, Federal Life; J. M. Drake, Empire Life & Accident; C. N. Greene, Hoosier Casualty, and George Manzelmann, North American Accident.

No Menace to Insurance in Social Security Law

Speaking at the opening session of the Health & Accident underwriters conference on "Some Aspects of Social Security Legislation," W. I. Aitken, Lincoln, Neb., insurance attorney, while pointing out a number of defects in the law and some possible remedies for them, still held that it would not materially affect the writing of business by insurance companies and that basically there is no conflict in coverage.

He said at the outset that the social security act may in its broadest sense be described as "compulsory insurance against certain of the risks of existence—dependency in old age, physical handicaps and unemployment." In tracing the background of the legislation, he pointed out the inevitable change from the earlier American emphasis on the independence of the worker to the appreciation of the fact that a man might be the victim of circumstances beyond his control and that the misfortunes of a large group might have an important bearing on the welfare of all.

Industrial Worker Cannot Provide for Old Age

Declaring that it is virtually impossible for industrial workers to provide adequately for their old age, he cited figures on earnings reported by the Brookings Institute, which showed that in the peak year of 1929 the annual total income of nearly half the families in America was less than \$1,500.

He reviewed the operation of the old age pension feature of the social security act in some detail, bringing out that the average pension will not exceed \$19 per month in 1945, \$25 in 1955, \$33 in 1965 and \$46 in 1980. While it is usually assumed that continuous employment to age 65 is necessary, he pointed out that this is not true. The only requirement is that one work at least one day in each of five years after 1936. "So, if your secretary, aged 20, continues to work for you until age 25 at a monthly salary of \$100 and then leaves the business to get married, 40 years later she will be entitled to receive a pension of \$17.50 per month, based on the \$6,000 of total earnings made in your employ."

On the tax side he observed that the old-age taxes are imposed only on the first \$3,000 of any worker's annual wage, while the unemployment taxes are imposed on all wages. He said that unem-

ployment compensation is sometimes referred to as insurance, but that this is a "complete misnomer and will lead to tragic disillusionment, if persisted in."

His main criticism of the method of operation of the act was in regard to the creation of the huge reserve, which he regards as not only unnecessary but likely to bring many other evils in its train. He suggested that the principal objections would be met if the present 1 percent tax rate on both employer and employee be retained for at least ten years. The requirements in the meantime could be fully met and that would then be enough experience to enable sound action for the future.

He suggested also in the same connection that consideration might well be given to the British plan, raising the level of benefits in the present generation. He said this would at the same time relieve materially the burden of the federal government and the states in dealing with aged dependents.

Effect of Social Security Legislation on Insurance

In determining the effect of this law on the insurance business, it is necessary, Mr. Aitken said, to appraise the extent and character of the large classes of workers who are definitely excluded from the benefits of the law. It has been estimated that this group comprises 21,000,000 workers, a class from which the insurance companies currently derive from half to three-fourths of their business.

"It is at once obvious," he said, "that as to these excluded millions—professional men, owners of businesses and the self-employed, farm labor, domestics, teachers, institutional and all government workers—there can be no interference with the work of private insurance companies in this great field."

"In considering its application to those definitely covered, we will desire to know just what is the tax burden in dollars. What is the cost to them of this pension, and to what extent will it absorb their income available for the purchase of insurance protection from private companies? Take, for example, the worker earning \$35 weekly. The deduction from his weekly wage check for the pay roll tax will be 35 cents during 1937, 1938 and 1939, increasing every third

(CONTINUED ON PAGE 32)

H. & A. Conference in Annual Session

Special Sections Featured at Meeting at White Sulphur Springs

SOCIAL SECURITY IS UP

W. I. Aitken, Lincoln, Nebr., Attorney,
Reviews Federal Legislation in
Address on Opening Day

BY FRANK A. POST

WHITE SULPHUR SPRINGS, May 26.—Insurance taxation and problems of agency management were especially stressed at the annual meeting here this week of the Health & Accident Underwriters Conference. One entire session was devoted to each of those topics. The only address given by an outside speaker also had quite a close hookup with the problem of taxation. It was by William I. Aitken Lincoln, Neb., insurance attorney, on "Some Aspects of Social Security Legislation." Mr. Aitken, who has made an especial study of state and federal legislation along that line, took up the tax angle along with the various other features of these acts, with special reference, of course, to their effect on insurance companies. His talk was given at the opening session yesterday morning.

A. H. Andrews, managing director West Virginia Chamber of Commerce, Charleston, gave the address of welcome, including some suggestions from the standpoint of the business interests in general in regard to the menace of increased taxation and state health insurance, and the necessity for finding some way to provide protection for hitherto unprofitable classes, such as the coal miners in this state. Sam C. Carroll, Mutual Benefit Health & Accident, chairman of the conference executive committee, responded in his typical vein.

The United Provinces of Montreal, Midwestern Casualty of Des Moines and California-Western States Life of Sacramento were admitted to membership in the conference.

Several guests were introduced at the conclusion of the morning session, including Paul G. Garey, Commercial Casualty; C. N. Dubach, Hartford Accident, president Chicago Accident & Health Association; A. A. McFall, Columbian National Life, and F. C. Crittenden of Chicago.

There was a registration of nearly 100 for the opening session, including about 60 representatives of member companies, 30 ladies and a number of other guests.

Kendall Lays Stress on Legislative Problems

In his presidential address, George R. Kendall, Washington National, gave especial attention to problems of legislation urging that all conference members take a more active interest in legislative matters and suggesting the creation of state or regional vice-presidents to give especial attention to that matter. He sounded a strong warning as to the menace of state health insurance and state medicine and presented many convincing reasons for the adoption of legislation which would put accident and health insurance in a classification by

(CONTINUED ON PAGE 33)



GEORGE R. KENDALL
Washington National
Retiring Conference President



SAM C. CARROLL
Mutual Benefit Health & Accident
Chairman Executive Committee

Discuss Best Agency Building Methods

Varied Angles of Subject Reviewed

Talks Are Given on Recruiting, Training, Supervision and Visual Selling

AGENCY SYMPOSIUM HELD

Young, Skoglund, Rockwood, Fuller, Powell and Blunt Are Speakers at Special Session

A comprehensive symposium on agency management problems, including recruiting, training, supervision, visual selling and simplification of agency methods, was provided at the special session Wednesday morning devoted entirely to that subject, with A. E. Faulkner, president Woodmen Accident, presiding.

The high light of the session was, of course, the presentation by Clyde W. Young, president Monarch Life, of the analysis of sales made by 100 of that company's leading agents, which took up various angles of prospecting, presentation of needs, opening and closing the interview, number of interviews required, where the interview took place, handling of lapses and other points, which brought out a wealth of valuable information. The lesson that Mr. Young drew from this survey was that a definite effort should be made to find out the points on which a producer is strong and develop him particularly along those lines.

Some further material along the line of the necessity for research work of this sort was brought out in Mr. Young's report for the special committee on research, presented at the executive session Wednesday afternoon.

In listing methods of securing new men, H. G. Rockwood, vice-president United, Chicago, listed want "ads" in local papers, display "ads" in insurance

(CONTINUED ON PAGE 29)

Agent Can Be Developed Along His Strong Points

The accident and health salesman can be built into a stronger producer only by finding out what part of the selling job he does best and then proceeding to bring out good qualities which he has already demonstrated, Clyde W. Young, president Monarch Life, declared in his address on "Building Men Through Their Strength," at the agency management session Wednesday morning.

He listed three characteristics which must be taken into account in any plan for successful supervision: (1) The salesman is an individualist. (2) He tends to resist the ideas and suggestions of others. (3) His effort tends to gravitate.

If good salesmen were not individualists by temperament, they would be unlikely to prefer the difficulties and uncertainties of selling for the more secure but less exciting job of routine clerical work. Many of them have been lured into selling insurance by the promise that they would be "their own boss." This in itself has increased the problem of supervision. By temperament and training, the salesman is happiest in the role of telling others what to do, rather than being told what he himself can do.

Qualities Tend Toward Unevenness of Accomplishment

Furthermore, the very qualities which characterize the good salesman tend to an unevenness of accomplishment. A man who has been getting fair results with 40 interviews a week can seldom figure it out for himself that his poorer results may be caused by seeing only 20 people a week. He is more likely to blame his slump on business conditions or competition, or some other cause outside himself.

Any plan for building man power through supervision should be based on a recognition of these factors, Mr. Young said. It should aim to treat the individual agent as a distinct personality and not as a cog in a wheel. It should help him to build on his own ideas and convictions, instead of forcing him to accept the ideas of others. It should encourage him to keep up to his own best standards of accomplishment

through conscious, self-directed effort rather than through blind obedience to orders.

In reviewing the research work which his company has done, looking to a solution of this problem, he said it was decided that these questions would help bring out the agent's present capacity: (a) Where do you obtain your best prospects? (b) What are the characteristics of the prospects which you have shown you could sell most readily? (c) What is the relative value in dollars of commission to you of your first interview and subsequent interviews? (d) What objections do you meet most frequently and how do you overcome them most effectively? (e) Which of the selling ideas you use are of the greatest help to you in closing sales? (f) Of the types of business you write, which are most likely to renew and pay you renewal commissions?

Data Secured on Last 40 Sales of 100 Agents

It was necessary, of course, to have some facts and detailed information on which to work. It was decided to make the test on about 100 leading producers who had qualified to attend the company's annual convention. First, all information available at the home office regarding the last 40 sales of each of these agents was compiled. During the convention they were asked to write out answers to 20 questions on each of these 40 sales. On the last day of the convention an analysis of results was made for the group as a whole, and followed through with an individual analysis of the work of each agent by the respective general agents, directed by home office supervisors.

The first group of questions dealt with prospecting: (a) How did you get this name? (b) If a reference, what was the relationship of the reference to you? (c) What relation was the reference to the policyholder? (d) What was the occupation of the reference? (e) Did the reference help you make the sale? (f) Does this reference continuously supply you with new prospects? (g) Did you

(CONTINUED ON PAGE 28)

Finds Simplicity Is Aid in Selling

Advantages to Company, Agents and the Insuring Public Are Pointed Out

J. E. POWELL'S ADDRESS

Would Apply It to Policy Forms, Applications, General Regulations, Manuals and Selling Material

The importance of simplicity—in policy forms, applications or claim blanks, regulations, manuals and sales material—was emphasized by James E. Powell, agency vice-president Provident Life & Accident, in his address at the agency management session on "Simplicity as an Aid in Selling." He presented the advantages of simplification from the standpoint of the company, the agent and the public.

Not Complicated Coverage

"To those of us who are intimately connected with either the management or selling of accident and health insurance, it is probably the simplest of all coverages to understand," he said. "There is really nothing complicated about it. We pay for certain loss growing out of injury or sickness. We rate our premiums for accident insurance by occupation, for sickness by age."

"For the new man in the business, we believe in simplicity for two primary reasons. First, it will minimize bewilderment and discouragement. There is enough to bewilder and discourage the new man, without our adding to it. Second, it will help to sell him on the business of accident and health insurance. Let him get the idea as quickly as possible that it is a good business, a straightforward simple way to make a good living. Give him three or, at the most, four policies to sell. Try to make at least one of them a non-classified, non-prorated

(CONTINUED ON PAGE 31)

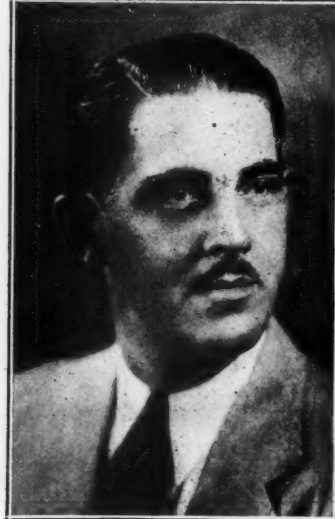
SPEAKERS AT AGENCY MANAGEMENT SESSION



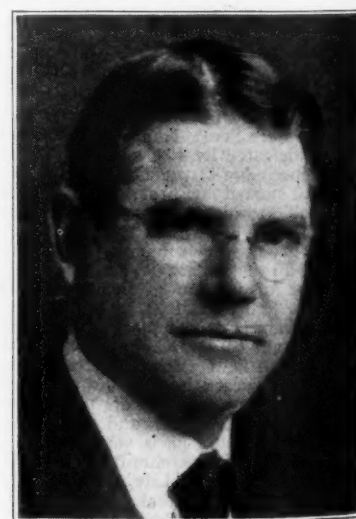
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Monarch Life



E. B. FULLER
Loyal Protective



JAMES E. POWELL
Provident Life & Accident



H. G. ROCKWOOD
United, Chicago

Menace of State Insurance Is Cited

George R. Kendall Stresses Legislative Problems in His Presidential Address

SEPARATE CLASS NEEDED

Lumping of Accident and Health with Other Casualty Classes Creates Many Complications

The menace of state medicine and state health insurance and the need for a separate statutory classification for accident and health insurance were especially stressed in the annual presidential address by George R. Kendall, Washington National, which opened the annual meeting of the Health & Accident Underwriters Conference at White Sulphur Springs this week. The address was devoted very largely to problems of legislation. Because of the increasing number of new laws being proposed, he said it is almost a physical impossibility for the executive secretary to look after all matters of legislation, as he has been doing, and it is necessary for each individual company to take more interest in the matter. He suggested that state or regional vice-presidents should be elected by the conference or appointed by the president, who would not only keep in touch with pending legislation but also other matters of mutual interest, reporting to and working with the executive secretary.

Pays Tribute to Doctor, Opposes Regimentation

In the matter of state health insurance, he warned against "impulsive action" in the direction of "new reforms, new adjustments and new theories." Paying high tribute to the American doctor, he deprecated the attitude of those who say that this great profession "should be regimented and placed in charge of governmental control." He said that such action would unquestionably be followed by compulsory health insurance. Declaring that state medicine has never been a success anywhere, he cited the questions asked by Merle Thorpe in an editorial in the March, 1937, issue of "Nation's Business."

"Is it not a fact that sickness insurance in Germany has (1) created a scandal in the large amount of funds used for administration? (2) increased the number of sick days per year from 5½ to 28 (in England, since compulsory health insurance, from 9 to 12½), while in the United States the percentage has not increased during the same period?"

Death Rate, Disease Control Better in United States

"Is it or is it not a fact that state health insurance in Germany or England has shortened life expectancy and increased infant mortality, all in striking contrast to the experience of the United States?"

"Is it or is it not a fact that authentic studies show that in any comparison between compulsory health nations and the United States, on death rate and on diseases subject to human control, the odds are all in favor of the private medical practitioner?"

"Is it or is it not a fact that medical science has advanced more slowly, and that medical practice has become more of drudgery in those countries which have installed state medicine?"

"Is it or is it not a fact that there is grave doubt that the investigations of personal life necessary to proper administration of health insurance by a

political agency, while tolerated in Europe, would be resented here?"

He objected very strongly to lumping accident and health with the other forms of so-called casualty insurance in laws or department rulings and cited many reasons why it should be considered in a class by itself, just as much as fire, marine or life insurance. In the first place, he said that it is "human being" insurance, while the other casualty lines are chiefly concerned with property or liability coverages.

Furthermore, the inclusion with casualty has caused great confusion in many states under agents' qualification laws and departmental regulations. Agents seeking license to sell accident and health only are required in certain states to take an examination which includes many questions on all other lines of casualty insurance. Life companies are exempted from qualification laws in many states and agents of life companies which also write accident and health insurance are not required to qualify under these laws, while accident and health carriers which are classified as casualty companies are brought under the law.

Obviously, he said, a qualification law which is intended to set up a standard for accident and health agents should apply to all agents writing accident and

health insurance, whether they represent a life company or a casualty company.

The fact that no other line of insurance—life, fire or any other casualty line—is issued by so many different types of carriers, including multiple line casualty companies, old line life companies, fraternal, traveling men's associations, sick benefit associations, reciprocals and many other types, makes it impossible to secure any uniformity in supervisory or regulatory enactments unless accident and health insurance is considered by law makers and insurance departments as in a distinct class by itself.

He mentioned briefly the problems of taxation, to which a special session was to be devoted the closing day, stating that the prospect of still further increases in taxes constitutes a very serious situation, not only for insurance companies but for every citizen of the nation.

Educating Public Means More and Better Prospects

He spoke of the possibilities of institutional advertising, directed toward helping all of the people to secure a better understanding of the advantages of accident and health insurance. He said that institutional advertising is now used only one week in the year—National

(CONTINUED ON PAGE 31)

Tells Important Factor in Agency Management



J. W. BLUNT
Vice-president Monarch Life

WASHINGTON NATIONAL INSURANCE CO.

H. R. KENDALL, Chairman

CHICAGO

G. R. KENDALL, President

Ye who enter this portal to the

TEMPLE OF INSURANCE

are covered with ample and enduring mantles of protection in the form of the following lines of insurance written by the

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Ordinary Life
Intermediate Life
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Group Life
Industrial Accident
Railroad Installment
Franchise
Newspaper Accident Insurance

Commercial Accident and Health
Monthly Accident and Health
Non-Occupational Accident and Health
Industrial Accident and Health
Group Accident and Health
Creditor Group Insurance
Automobile Accident (Personal)

The Washington National is a strong, progressive, and rapidly growing Old Line Legal Reserve Company with over \$2,100,000.00 in Capital and Surplus and over \$5,200,000.00 in Admitted Assets.

During 1936 it had a
PREMIUM INCOME OF \$6,611,900.64

* * *

It has over 1,000,000 satisfied policyholders and does business from the Atlantic to the Pacific and from Canada to the Gulf.

* * *

EXECUTIVE OFFICES: EVANSTON, ILLINOIS

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ACCIDENT and HEALTH**PLUS****Medical Expense
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Men and Women***27 Years of unparalleled
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CASUALTY COMPANY**

Home Office — Peoria, Illinois

E. A. McCord C. C. Inman
President Vice Pres. & Agency
Director

Need Definite Policy, Follow-up

In any plan that has to do with the recruiting, training and supervision of agents, the great essential is a company policy well conceived, thoroughly thought out and fully tested and—still more important—a follow-through sticking to it. That was the advice given by J. W. Blunt, vice-president Monarch Life, speaking at the agency management session on "Recruiting, Training, Supervision—and the Greatest of These Is?"

He presented his ideas in a series of questions, with no attempt to answer them, but stating that if the companies can find the answer they may offer a future solution to some of the common problems. The questions included:

"Have we thought carefully through our own objectives as a company in considering our problems?"

"Are our plans the combined result of a fusion of field and home office viewpoints?"

"Are we searching for an expedient or for a long-time principle?"

RECRUITING

"Have we really reached a conviction that quality managers will mean quality agents?"

"Are we recruiting for new business only, or for permanent man power that will give us business in the years to come?"

"What do we want for a recruiting program?"

"Should we recruit more men for more business, or is it possible that we could follow through with a program of recruiting fewer salesmen and get more business?"

"Will better quality man power mean a better quality of new business?"

"We must have salesman in our business; hence, this necessity of recruiting."

"Are there not, however, many phases of our particular business that must be thoroughly thought through before even the first step of the recruiting problem is considered?"

"Are there certain objectives of the company which must be thoroughly worked out, as the coverage to be sold, and the type of agency contract best fitted to the objective we wish to obtain?"

TRAINING

"What is a good quality agent, well trained, with a sizable renewal account, worth to a company?"

"Are small producers generally an asset or a liability?"

"How much would it be worth to us to make every agent under license a real

salesman instead of an order taker?"

"Are our managers', or general agents', and agents' contracts, and the merchandise we offer, in harmony with our objective of a full-time and permanent insurance career?"

"It is well said that insurance selling is the most difficult of all selling vocations. Emerson said: 'The secret of training lies in respecting the pupil.'"

"Have we, as home office executives, the necessary respect for the difficulties of the job of the salesman?"

"Are we tailoring our training to fit the job it must do, or are we attempting to make the agent fit himself, and the job fit itself, to our training?"

"The problems of recruiting and training are so interrelated that to develop one and ignore the other is folly."

"Isn't it wasted effort to recruit men unless we have a definite plan that will put them over?"

"Isn't it useless to train them and then have them fall by the wayside for want of constructive encouragement?"

SUPERVISION

"Supervision is largely continued training."

"Whom shall we train?"

"What are our objectives?"

"Shall we hire supervisors to recruit for our general agents, or shall we train them to recruit for themselves?"

"Shall we have supervisors intermittently training the salesman, or shall we carefully train our general agents or managers, so they in turn can fully train and supervise their own men?"

"Are we, as agency executives, really training our supervisors, or is there too much of a temptation on our part to just let them continue their work in a hit-or-miss fashion?"

BIG INVESTMENT

"Take for example a company which has 25 general agents or managers. Suppose that company invests in its agency managers \$100,000 a year."

"Should we strive to really make those general agents and managers our supervisors?"

"They really are, and if not, why not?"

"Have we a big job yet to do in training these men?"

"Would it profit our companies to follow through with such a program?"

"Have we a complete plan of action and facilities for this work?"

"Should getting business be a by-product of the activities of our agency departments, or should just getting business become our predominating motive?"

"We have many times heard the agent harshly criticized for thinking too directly of his commissions. As companies, do we not sometimes make the same cruel mistake?"

**Methods of Dealing with
Municipal Taxes Listed**

The possibility of much annoyance, if not serious trouble from municipal occupational or franchise taxes was brought out in the paper prepared for the legal session by V. J. Skutt, Mutual Benefit Health & Accident, who was unable to be present himself, but sent it on to be read.

Taxes of this class are excise taxes as distinguished from property taxes and they are based primarily on the theory of regulation, he said. A city, town or village has no regulatory interest in the insurance business, but nevertheless municipalities in many states have power to enact tax ordinances of this type. Many states provide that state taxes on insurance shall be in lieu of all other taxes, thus placing a statutory prohibition against the enactment of excise taxes against insurers by municipalities. However, where there is not such provision, cities and towns may enact tax ordinances, and when it is done in one municipality, others are almost certain to follow suit.

**Tells of Procedure
Followed in Omaha**

His first recommendation as to meeting the situation was that a procedure such as was used recently in Omaha be followed. Public hearings were demanded, as a result of which the tax ordinance there, which had progressed almost to the point of becoming effective, was finally killed. This was accomplished not by any attack on its legality, but by showing the practical effect of enactment of such an ordinance. It was shown that companies would have to restrict their activities, some offices would actually be moved from the city and many employees would lose their jobs, and, furthermore, that it would impose a greatly added burden on the policyholders. While wholly a practical and temporary method, it did work in that case.

His second suggestion, which he declared to be the only permanent and sure preventive, was to secure enactment of state laws prohibiting the levying of such taxes by municipalities. He suggested that the conference, through its legal section or otherwise, should consider a survey of the constitutional and statutory provisions of all the states, as a basis for obtaining such legislation, with complete report at the next meeting.

Talk on Insurance Taxation

J. M. POWELL
Loyal Protective



C. O. PAULEY
Great Northern Life

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"The Ministers Life and Casualty Union of Minneapolis offers sound Life, Health and Accident Insurance at Bottom Cost."

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The Ministers Life and Casualty Union
Minneapolis

MELL W. HOBART, Secy.

W. G. CALDERWOOD, Treas.

Outlines Taxation Problems of Insurance Carriers

R. H. Matthias, assisted by H. H. Naujoks of the Chicago insurance law firm of Ekern & Meyers wrote a paper on "Taxation of Accident & Health Insurance Companies," for the Health & Accident Underwriters Conference at White Sulphur Springs, W. Va. He cited many cases dealing with the power of the federal government to tax as well as the state power of levy.

There is no uniformity among separate states in taxing the insurance business, and partly because of this and partly of retaliatory statutes, there is much confusion on the subject. Imposition of taxes by local governments, towns, villages and cities, etc., while not onerous, is annoying and requires much costly bookkeeping on the part of the company. The paper warned of increasing trend toward taxation of insurance.

Perhaps the ultimate solution of the taxation question is in enactment by all states of a uniform tax law to protect each commonwealth against tax evasion or undue advantages which companies might take. Such a plan would also protect the carriers against paying more than their just share of the government. This uniformity would also get rid of multiple taxes, which have been a point of objection by the companies. Of course, this means elimination of taxation by local governments, and they would undoubtedly balk.

Tells Wisconsin Method

It was suggested that if a uniform program is ever put through, that the state reimburse the smaller governmental units for loss of insurance tax revenue similar to the Wisconsin plan for reimbursement of towns and counties from the state motor fuel tax moneys, the smaller units not levying any tax.

The paper outlined in great detail the position of the insurance business in the matter of income taxes, taking up taxation under the social security act, giving provisions relating to employees subject to the law and the nature and the scope of the tax. He warned that exemption of an organization from filing returns under provisions of the federal income tax law does not extend to exemption of taxation under the social security act, and each case will be taken up under the exemption provision contained in the latter legislation. Decision as to what employees of insurance companies are included under the social security law is expected in a few weeks, now that the law has been upheld by the Supreme Court.

Discuss State Taxes

State income and premium taxes were discussed. The paper pointed out that an excise tax on insurance companies measured by gross premiums is constitutional if it is in the nature of a license tax for the privilege of doing business within the state. Some states impose on foreign companies a privilege tax based upon premiums received by the company, although the tax exceeds that of domestic companies. In fact, a privilege tax on foreign companies has been held valid even though domestic companies were exempted from the tax altogether. Moreover, a privilege tax on domestic companies measured by premiums received was held constitutional even though foreign companies were exempted from operation of the statute.

There is no uniformity in requirement of state laws levying premium taxes on companies. In some states there is a flat tax on a percentage of gross premium receipts, while in others foreign corporations are taxed but domestic companies are not.

The paper went over taxes by smaller governmental units, especially taxes on insurance agencies.

The attorneys said that the most objectionable theory the insurance com-

panies have to overcome is the idea that the carriers have large amounts of assets which may be taxed for revenue purposes without harm to the companies or the policyholders. The companies should exert every effort to correct this because the notion is entirely erroneous. If they fail to do so, the tendency will continue, since governments are looking everywhere for new sources of revenue. In 1936 health and accident companies made total tax payments of about \$5,000,000.

Institutional and Direct Service of Conference Is Told

In reviewing the work of the past year in his annual report, Harold R. Gordon, executive secretary, said the conference provides two types of service: (1) A direct informational service to its members and (2) an institutional service. From the first angle, the conference should be regarded as a clearing house for its members. It gathers and distributes legislative information, legal information, statistical data, underwriting and claim material, facts about policy provisions, acquisition cost, home office administration, agency management, investments and many other topics.

Institutional Service Is Intangible but Important

The institutional service is an intangible one, which cannot always be evaluated in dollars and cents, but nevertheless is very real and fully as important as any direct service may be. Its legislative work certainly is beneficial to the entire accident and health business, especially in the clarification of conflicting thought on legislation relative to the policy contract, and more particularly in directing attention of legislators to the place which accident and health insurance occupies in the nation's economic life.

The work of the educational committee has improved the qualification of new men in the accident and health selling field for the first time, by providing them with the knowledge of fundamentals of policy contracts and underwriting principles. Frequent and close contact with state supervisory officials has brought about an improved understanding of the business and has created a friendly spirit of cooperation. The annual conference meeting is a source of the best expression of current thought on accident and health insurance that can be found anywhere. All this activity raises the standard of the business, Mr. Gordon said, adding that it is done unselfishly to merit the increased confidence and good will of the insuring public.

Work on Accident & Health Insurance Week Reviewed

As a particular example of this type of service, he reviewed the work in connection with National Accident & Health Insurance Week, which he has headed for the past two years and which from January to April occupied much of the time and attention not only of the executive secretary but of his staff as well.

"Reports that have reached my office concerning the week," Mr. Gordon said, "indicate that it was the most successful ever held, both in point of interest aroused among companies and agents, as well as the institutional publicity, which has tended to make the public more accident and health insurance conscious than ever before. While it cost the conference considerable in time and effort which might have been spent in other

(CONTINUED ON PAGE 30)

Loyal Representatives Have Everything

To Work With

ACCIDENT & HEALTH	LIFE
NON-CANCELLABLE FORMS	UNUSUALLY LOW PREMIUMS
FIRST-DAY COVERAGE	LIBERAL DIVIDENDS
NON-HOUSE CONFINING	HIGH POLICY VALUES
NON-PRORATING	NEW JUVENILE POLICY

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BOSTON, MASSACHUSETTS

—SURPLUS TO POLICYHOLDERS OVER \$1,000,000—

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Over a Third of a Century

Specializing in

FULL-PROTECTION

Disability Insurance

Good Service is Good Business

Fidelity Health & Accident Co.

Benton Harbor, Michigan

AGENTS CAN BE BETTER DEVELOPED

(CONTINUED FROM PAGE 24)

find your first prospect out and make this sale in the same office or factory?

Questions as to conditions surrounding the sale were: (a) Was the policy sold (1) during business hours? (2) during evening hours? (b) Was it sold on first interview, second interview, third or subsequent interview?

Several questions were incorporated dealing with objections, sales ideas, etc., and a fourth group covered some miscellaneous information that might give a side light on the sale, such as: (a) How did you open the interview? (b) Did the prospect buy the amount of benefits you first presented? (c) Was this sale made to a former policyholder who had lapsed? (d) Has this policy lapsed since issuance?

Group Divided into Three Classes for Analysis

For the purpose of analysis, the group of 100 was divided into three classes: (1) "Old good," comprising men who had been with the company a number of years and had a substantial volume of business in force and good renewal accounts; (2) "new good," men with the company one to two years who were doing a good job of new production but had not had time to become "seasoned"; (3) "new fair," those who had not been long with the company and had not yet found themselves as regards production.

On the first question, "How did you get the name of this policyholder?" it was found that with the "old good" group 68 percent of sales were being made by the reference method and only 32 percent by cold canvass. These agents, with many old policyholders, naturally had more opportunities of obtaining reference leads. The figures for the "new good" men showed: Reference, 48 percent; cold canvass, 52 percent; in-

dicating, as might be expected, that they found more cold canvass selling necessary because of having fewer policyholders from whom to obtain names.

In the "new fair" group, where there was no way of knowing what to expect, the tabulation showed almost the same results as in the "old good" group—35 percent cold canvass and 65 percent reference. However, these were agents with a relatively small volume of new business on the books. While a large percentage of their business was coming from reference, it was actually a small amount. Only one cold canvass sale was being made for each two reference sales, as against an almost equal amount of reference and cold canvass by the "new good" men. This indicated that one reason for their comparative lack of success was that they were not making enough cold canvass sales. They were apparently getting some results in selling their friends and acquaintances, but lacked the confidence necessary to do a good job of "cold" selling. The facts brought out in this analysis made a much greater impression on the agents themselves than any amount of literature from the home office could have done.

Perhaps the most revealing question of all was the one to determine on what interview the sale was closed. The answer determined the aggressiveness of the agent and revealed any tendency he might have to waste his time trying to "hatch china eggs."

Interview	Pct. Old	Pct. New	Pct. Fair	Pct. Total
Results	Good	Good	Fair	Total
First	59	64	43	58
Second	25	28	31	27
Third	9	6	16	10
Subsequent	7	2	10	5

From his individual chart each agent had the opportunity of answering his own question: "Am I closing as many as I should on first interviews?" If he

was below the average, he was brought to face the thought that he might subconsciously be planning a callback even when not aware of it.

Another question was in substance: "How valuable are your evening interviews?" The answers showed:

Policy Sold	Old Good Pct.	New Good Pct.	New Fair Pct.	Total Pct.
During Bus. Hours	62	64	74	65
During Eve. Hours	38	36	26	35

This offered a challenge to the salesman who was not getting the results he desired as to whether he could afford to pass up the best of all spots for a good interview—in the prospect's home.

Two Principal Sources of Reference Prospects

The questionnaire brought out that prospects were largely developed by reference through two sources, 36 percent from business acquaintances and 55 percent from personal friends, or 91 percent from the two sources, which seems to suggest strongly that greater results would be obtained by concentrating along this line.

The tabulation of answers to the question, "How did you open the interview?" showed 57 percent of sales were opened with a need approach, 20 percent with outline of benefits and 23 percent with the selling features of a particular policy. It was found that the less successful men were building their introduction around the benefits of the contract, while the better producer stressed the need for the coverage first and got around to actual indemnities later on. It was also found that the more successful men made a practice of attempting to sell a larger policy than they were likely to put over, on the basis that it is easier to come down in price to meet the prospect's pocketbook than to raise indemnities after he has once formed an idea as to how much he is going to spend.

One group of questions provided an easy method by which each agent could tell the various selling appeals (needs, etc.) he had used on each sale. The weak salesmen showed an average of only one or two appeals beyond the mere presentation of benefits, as against an average of four to six real attempts to close by the very successful group.

Most Sales to Those Whose Income Doesn't Continue

An effort was made to find out in how many cases the policyholder's income continues when he is sick or injured. The answers showed 66 percent of sales were made to prospects whose income stopped and 34 percent to those whose income continued even when sick or injured. This made it evident that it is easier to sell accident and health insurance to those whose income stops, although there is also a field of prospects among those whose income continues but who may not see their need as vividly.

The summary showed 72 percent of

sales were to people who had no health and accident protection prior to that time, and 28 percent to those who already had some protection. This gave evidence that the field for accident and health insurance has not been scratched and also the need for a sales presentation that would make the need more vivid.

Tabulation Is Made of Objections Encountered

A tabulation of objections encountered, with the proportionate number of times each came up and was met shows: "Can't afford it," 29 percent; "Will take a chance," 12 percent; "My salary goes on," 10 percent; "Have money saved," 5 percent; "Never been sick or injured," 16 percent; "Prefer to save my money," 2 percent; other objections, 26 percent.

In 75 percent of the cases the policyholder bought the same benefit as was presented by the salesman. In only 7 percent did he buy larger benefits and in 18 percent he bought less than presented.

In an analysis of the last 10 lapses of the same 100 agents, it was found that in 63 percent of the cases cash was secured with the application when the policy, later lapsed, was sold and 88 percent of the policies were delivered personally by the salesman. In 85 percent there was a personal follow-up after the policy lapsed, 67 percent were seen personally by an agent during the grace period, another 18 percent at some time after the grace period.

Reasons for lapse are summarized as follows: "Can't afford it," 51 percent; "Don't need it," 19 percent; "Lost job," 13 percent; miscellaneous, 17 percent.

Lessons Drawn from Survey Are Summarized

In summarizing the lessons drawn from this survey, Mr. Young said: "For your salesman who has been with you several months and is doing nothing, there is no help. For that salesman who is doing something, a fair job, you can offer much. Take his effort and analyze it with him. Take his results and analyze them with him. If it is possible, let no office clerk bring back the answer to his problem. Instead, help him to analyze his own experience and draw him out until he makes his own correct conclusions. It may take longer, but the results will last longer. Then get him to tell you that his job tomorrow is simply to go out and do more of what he has already demonstrated is bringing in good results."

E. C. Bowlby Missed

There was a note of sadness, especially among the old timers, on account of the recent death of E. C. Bowlby, president Fidelity Health & Accident, who had been one of the most regular and consistent attendants at the conference meeting since the early days and a staunch worker in conference affairs throughout that period.

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ALL FORMS OF HEALTH AND ACCIDENT INSURANCE

CAPITAL \$250,000.00

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Operating in Illinois, Indiana, Iowa, Michigan, Ohio and Pennsylvania

Varied Angles of Subject Reviewed

(CONTINUED FROM PAGE 24)

publications, carefully prepared personal or general letters to a mailing list secured for that purpose, and recommendations from business men, policyholders and present agents. He said that his company has found the want "ad" medium very satisfactory. It makes provision for personal interviews rather than a mail inquiry. The proposal is stated as generally as possible, so that mere curiosity seekers will not be attracted. If a small salary is offered, more interviews will result, but the standard of applicants will be slightly lower.

Procedure Followed in Interviewing Applicants

Each man showing up for an interview is required to complete a definite application, giving as much personal history as necessary. Mr. Rockwood then addresses the applicants as a group, endeavoring to sell them the business of accident and health insurance and service the company renders, together with the possibility of earning a livelihood and a permanent job. This interview usually lasts about an hour and then the late comers are taken on in another group. An individual interview is then arranged for those who are sufficiently interested to request it. A definite appointment will not be made until a third interview, either later in the evening or the next day, which will give opportunity to check references, make such inquiries as are necessary, and impress on the applicant that the arrangement is one that is not to be entered into lightly on either side.

Inquiries from "Ads" in Insurance Publications

Mr. Rockwood said that his company secures many inquiries from advertisements in insurance publications, most of which result in satisfactory contractual relations. Inasmuch as its territory is limited to three states, it receives inquiries weekly from states in which it does not operate. Many of these are sent to other companies. He said he had been informed that one such inquiry sent to another company last year resulted in a very satisfactory arrangement for that company, resulting in more than 400 applications the first year.

The circular or general letter to a carefully selected mailing list is also fruitful of inquiries, Mr. Rockwood said. His company uses THE NATIONAL UNDERWRITER handbooks for life agents and fire or casualty men that are not listed by accident and health companies, also school teachers' lists, classified telephone direc-

ories, etc. A stamped return envelope is enclosed. The letter in its closing paragraph requests the recipient to pass it along to some worthy man he can recommend if he is not in position to consider an agency himself.

Personal contacts with managers and department heads of other businesses, who often have a pending file of applicants for positions that they cannot employ, often bring promising agency prospects, he said.

He advocated paying satisfied agents for bringing other men into the business, stating that the agent often is in better position to sell the company to a man who wishes to get into the business than is the company itself. He described the plan followed by his company whereby an agent will receive a \$25 cash bonus for furnishing a competent salesman, to be paid when a certain number of satisfactory applications have been received from the new man. Furthermore, if the business is in his territory and the new man leaves the company's service, the business will revert to the agent who made the contact.

TRAINING

In discussing "Agency Training," C. C. Inman, vice-president Illinois Mutual Casualty, said that a prerequisite to training is the selection of the proper kind of persons to train. He emphasized the necessity for natural aptitude on the part of the prospective agent. While every man is a salesman, selling himself to his employer as a means of retaining his job, he does not believe that every man can sell accident insurance and make a living at it. He must be able to draw a mental picture of what he is selling and make it so plain and outstanding that his prospect can visualize the protection as though he were looking at a suit of clothes or other tangible property.

Sell Agent on Need for Income Protection

The first step in training is to sell the agent on the absolute need for income protection. The next step is to instill into him faith in accident and health insurance. Next is knowledge and understanding, not only of the goods the agent has to sell, but of himself. The latter point is probably the most difficult one the agency manager has to discuss with the agent. It involves his temperament, home life, appearance, civic activities, dissipation and general conduct.

It is necessary for an agent to suppress a great many of his radical personal opinions on various subjects, which will antagonize the people with whom he comes in contact. It is well to sell the wife of a prospective agent on the work in which he is to engage. His home life, if cooperative, will go a long way toward making him a success. The agent's appearance is a touchy subject and probably need not be mentioned unless his uncouthness is such as to require attention.

Civic activities are advisable, but Mr. Inman said that one should not "neglect his business to get his picture in the paper for a lot of work for which there is no compensation." Dissipation should be discouraged outright.

Under "general conduct," industry is perhaps the most important item. He referred to a recent survey which showed that 31 percent of the salesmen investigated failed because of lack of industry. If the agent is lazy, he does not have that "natural aptitude" for the business which is all important. It is possible to warn the agent against becoming too well satisfied with his efforts and the results obtained. There is no time to let up, no time to rejoice, no time to become discouraged in this business.

Courage must necessarily be instilled in the new man. Painting a too rosy picture has probably caused as many

PROGRESS--

Decided Progress

marked the Empire Life and Accident's growth in 1936 over '35:

14% INCREASE IN PREMIUM INCOME

20% INCREASE IN ASSETS

100% INCREASE IN SURPLUS



J. M. DRAKE
President

The explanation is two-fold, and is of interest to insurance representatives, for it is the secret of our phenomenal progress.

Point "1" Empire representatives are trained representatives, as each, during his first six months with the company, completes a three-volume Training Course. OUR MEN ATTAIN BECAUSE THEY KNOW MORE.

Point "2," the Empire has an unusual and complete line of Industrial Life, Health and Accident, and Life and Accident Contracts; also a complete line of Ordinary Life and Commercial Contracts. Altogether there are in excess of "50" Empire contracts.

Finally, the Empire has progressed, because the Insurance profession is basic and inherently correct.

EMPIRE

LIFE AND ACCIDENT INSURANCE CO.

INDIANAPOLIS

54 Years' Experience

Providing

Personal Accident Insurance at Actual Cost

\$52,000,000 Paid
to Members since 1883

More than \$1,450,000
Legal Reserves & Surplus

The Commercial Travelers Mutual Accident Association of America

H. E. Trevvett, Sec'y

Utica, N. Y.

Always on Job



HAROLD R. GORDON
Executive Secretary of Conference

failures in the business as any other one cause. The agent should be instructed that if he makes an existence the first year, he will make a living the second year and beginning with the third year he will be in a position to start making money. He should be told of the days, weeks, months, when he will meet with one discouragement after another. He should be prepared for these adversities, and having been advised of them he will be ready to meet them with a smile.

Of course it is the ultimate remuneration that really spurs an agent to put effort into the business. He can be told of the future years of continued renewals during his life and the life of his business and the contacts in the business and professional world that will lead to greater success for him as the years go by. Company officials may "point with pride" to the leader in production and income, but should never fail to tell the new agent of the price paid by that leader and that he too must be prepared to pay a like price.

VISUAL SELLING

Taking as his topic, "The Mysterious Eye," E. B. Fuller, vice-president Loyal Protective, emphasized the importance of visual selling by means of pictures or illustrations. He displayed a chart used by the National Cash Register Company, General Electric and others, which showed that the eye records 87 percent of all impressions received, ear 7 percent, smell 3½ percent, touch 1½ percent and taste 1 per cent.

"Eye appeal is the trend in selling today," Mr. Fuller said, "powerful, descriptive illustrations, graphically pictured to create positive impressions in the mind of the prospect."

"There are a few salesmen in every organization who have what is called a 'selling personality.' They are forceful, self-confident, poised, magnetic and enthusiastic by nature. Their eyes, voices, manners, all are naturally adapted to at-

tract and hold the attention of a listener. Such men do not require tangible material to hold a prospect's attention. Such cases, however, are few and far between. They constitute the exception, rather than the rule.

"In the vast majority of cases, insurance salesmen function more powerfully through the intellect than through emotions, as they do not possess sufficient self-confidence or dominating power to hold a prospect by sheer power of their 'personalities.' Such men feel more at ease and are more effective when they are in position to subordinate themselves and to focus the attention of the prospect upon illustrations that better emphasize his needs."

People Accept Pictures, Illustrations, Unconsciously

One of the most important reasons for the greater effectiveness of visual selling, he said, is the general tendency to accept unconsciously the meaning of pictures or illustrations, where people will argue or disagree on the same idea expressed vocally. Use of charts and diagrams alone is not enough. Pictures really come first, because they are motivating. "By means of them we make people want what we have to sell," he said. "Then, in order that they may visualize more clearly how they can get it, charts and diagrams are shown."

Mr. Fuller then took up the use of illustrated salesbooks, now employed by a number of companies, and told particularly of the plan his company follows in that connection.

"An illustrated salesbook," he said, "gives an insurance salesman a definite and natural sequence in presenting the value of income insurance. One of the big advantages lies in the ability of the salesman to pick up the interview smoothly and easily, regardless of how many times he may be interrupted. The salesman proceeds logically without rambling."

He listed these advantages of the plan:

1. Pictures help an agent to arouse

curiosity while visualizing the need of accident and health insurance.

2. It gives an agent greater confidence by having an illustration giving the proper line of sequence to follow right up to the close of the sale.

3. Photographs and illustrations act as a silent salesman in holding the prospect's attention while the agent is determining his next forceful statement.

4. Neat and orderly arrangement of photographs and illustrations create better impressions with the prospect.

5. It saves time by enabling the agent to control the interview, and in turn, make more sales on the first presentation.

STIMULATION

Problem No. 1 of the agency department is to have successful salesmen—not merely salesmen—salesmen first who are loyal, who are making a comfortable living and produce quality business. H. P. Skoglund, president North American Life & Casualty, declared, "If they make more money and are satisfied and happy," he said, "you will make more money and be just that much nearer your business objective."

Back of the sales organization, there must be a reliable company—a company that is offering a quality line of policies at a fair price. He assumed that the successful salesman he was discussing had such a background.

Get Closer to Men; Favors Regional Meetings

His first suggestion was to get closer to the men. He said that is one reason why he is on the contract committee of his company, together with the managers of the life department and accident and health department. "We three especially want to know our men, their wives and families, because it is then easier to stimulate and entice them."

He reported especially good experience with conducting regional meetings "right in the salesman's own back yard," at least once a year, preferably twice. "I like to go to him rather than have him come to me all the time," he said. The expense at first may seem unjustified, but it pays big dividends. Results are in opposite proportion to the size of the group at each regional meeting."

Contests Get Men Out of Slump, Aid Mediocre Producers

Mr. Skoglund was very strong in his advocacy of contests as a practical method of getting men out of a slump and getting mediocre men to do more business. "Contests induce more work," he said. "They build the morale of the agency force. Furthermore, contests are equally interesting and encouraging to both the successful salesman and those not so successful. Salesmen love to win and like honor. They like to prove they are good." He said that in one of the most successful contests he conducted recently, the captains on the various teams were all women. Men worked for women and vice versa, he said. He listed as necessary factors in a successful contest: Timing, theme, showmanship, publicity, followup, fair scoring plan and prizes.

Institutional and Direct Service of Conference Told

(CONTINUED FROM PAGE 27)

ways, yet the consensus of opinion seems to approve this activity because of the results obtained."

On the educational side, he referred to the extended use of the underwriting hand-book issued by the conference and the primer used in training new men, particularly in states where a qualifying examination is required of first-time applicants for accident and health agents' licenses. He said that it will be utilized still more fully this coming year with the enactment of several new agency qualification acts.

Along with this primer, he reported that a need has been felt for some sort

of general sales manual which would give at least a fundamental requirement for accident and health selling. "It is difficult to prepare a manual usable by agents representing all types of companies," he said, "but the task is not impossible of accomplishment and perhaps can be started the coming year."

Legislative Season Is Heaviest in Recent Years

The report on legislation stated that the present legislative season has been the heaviest in recent years, both in the number of bills introduced and the importance of the measures. The new laws enacted in various states affecting accident and health insurance were reviewed briefly.

An increased membership was shown the past year. At the beginning of the conference year there were 85 active members and one associate member. Since then there has been one resignation and four applications for membership are to be acted on at this meeting. The Retail Credit Company has been admitted as an associate member. The new simplified conference manual is now being used by 38 companies and several other conference companies have recently made inquiry about its use. Mr. Gordon predicted that by the end of the year it will be in the sales kit of most of the conference members that use a classification manual.

E. H. Boles Tells Problems in the Reinsurance Field

(CONTINUED FROM PAGE 2)

\$39,662,282 in that year represent gain of but .8 percent over \$39,312,155 written in 1935. Small though this gain for professional fire reinsurance was, it is the more acceptable because it indicates a new tendency among the direct-writing companies, according to Mr. Boles.

"More recently, profitable investment has become a great problem. Emphasis has therefore turned to better underwriting—reducing proportion of premiums paid out in losses—as the best possibility of increased profit. The fact that professional reinsurance does not involve, upon the part of the direct-writing company, the acceptance of another company's underwriting judgment is influencing the fire companies to use more professional reinsurance.

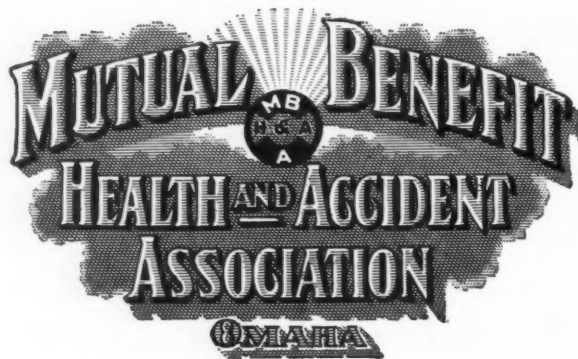
Casualty, Surety Picture

"As for the casualty and surety companies, they have in general always favored professional reinsurance. As the concentration of risk is less, they do less reinsuring with relation to size of their total premium writings than the fire companies. Of the casualty and surety companies admitted in New York state, only 7.5 percent of their net premiums was paid for reinsurance in 1936, while the admitted fire companies paid 36.4 percent of net premiums for the same purpose. But, whereas the fire companies placed only 9.9 percent of their reinsurance with professional companies, the casualty and surety companies placed 54.5 percent of their reinsurance in those channels.

"The explanation is that the casualty and surety companies do not need, except for surety lines, the large capacity for writing business which the fire companies require and obtain through reciprocal arrangements with numerous other companies in the same field."

J. C. Kelly, vice-president Wheeler-Kelly-Hagney Trust Company, Wichita, Kan., who has been confined to a hospital for several weeks with a throat infection, is reported on the road to recovery but as yet is not permitted to have visitors. It will probably be several weeks before he can return to his desk.

Frank T. B. Martin, vice-president of Martin Bros. Agency of Omaha, has been nominated for director of the Omaha Chamber of Commerce at the annual election June 8.



We join the Omaha Chamber of Commerce and other civic organizations in a warm invitation to the Health and Accident Underwriters to hold the 1938 Conference in our home city.

Omaha
1938

Finds Simplicity Is Aid in Selling

(CONTINUED FROM PAGE 24)

ing form he can sell without even looking at a rate book. Hold the preliminary instructions to the minimum. Impress upon him the necessity of completing his applications properly, and of following the company's limits as respects indemnities, height, weight, etc., and let it go at that. After all, if our well-trained, experienced producers would only adhere to those simple rules, a considerable measure of the troubles we have would vanish.

Agent Doesn't Like Study of Rules and Regulations

"After the new man in the business, there is the new man with the company to consider. Do what we will, agents will become dissatisfied for one reason or another and will change company connections occasionally. The more we simplify our manual, our underwriting instructions and our sales material, the easier it is to make this agent feel at home with his new connection. If we make his new connection simpler for him, he will appreciate it, and we will get the benefit of his appreciation.

"Then there is the established agent, the loyal producer who is the backbone of our production and our progress. Good agents are first of all good salesmen, good salesmen rarely make good detail men. Study and the absorption of rules and regulations is usually not to the liking of the good salesman. He likes contact with people, action and the thrill that comes from getting the signature. Equip him with what he needs, but make it just as simple as possible. The conscientious agent will appreciate it, and as for the fellow who isn't quite so conscientious but nevertheless a marvelous producer, the temperamental prima donna with whom we are all familiar, the fewer rules he has to follow, the fewer rules he is going to break.

Viewpoint of Insuring Public to Be Considered

"Then, beyond the agent, there is the buyer, the insuring public, to consider. We can all agree that if in the earlier days of the business, there had been a few less provisions and a few less 'ifs' and 'notwithstandings' in our contracts, some of our problems would never have arisen. Fortunately, in the evolution of the business, the policy contract has become much clearer and much easier of interpretation. We have a good product, a meritorious proposition. Let's make it easy for the agent to present and easy for the prospect to understand. If it is properly presented by the seller and properly understood by the buyer, no need for argument or misunderstanding need ever arise, if both parties are honest."

He insisted that what he proposed would not complicate the work of the underwriter or the claim man, but rather would ease their burdens, "because if we make our proposition easy to understand, we make it difficult to misunderstand." He cited the long list of "musts" and "must nots" in the average instruction manual and questioned the necessity of such requirements as those for giving the full name of the applicant and beneficiary, where use of a middle initial would conform to the usual and legal signature.

Smaller and Simpler Application Suggested

He suggested that the size of the application should be such that it would be easy for the agent to have one in his pocket day and night, rather than a bulky, over-sized sheet. Questions properly grouped could be limited to 10 or 12, he said, rather than having them repetitious and redundant to the point where the prospect wearies of the whole transaction. He also questioned the requirement that the application must be in ink. "Must the agent forego a sale because he lost his pen yesterday?" he

asked. "Of course not, but that is what the instructions imply."

"One company I know uses as many as four riders on one policy form," he said. "Form A does this, Form B does that, Form C does something else, and Form D probably allows quarantine indemnity. Each requires a premium different from the basic charge for the policy contract. The rate schedule looks like a census report. Granted that each plan covers a separate contingency, can any company afford even to attempt to write every form their competitors issue? What is the new man going to do with one policy issued five ways, at five distinct premium charges? Probably he is going to chuck it in the waste basket and either quit the business as being too complicated for his comprehension or go over to the company which makes life easier and more pleasant for him."

Sales Pamphlets Shining Examples of Printer's Art

He held that sales pamphlets often are merely shining examples of the printer's art, rather than really selling material. He advocated very strongly the combined circular and application, containing sales arguments, outline of coverage, simplified rate schedule and application, printed in distinctive colors for each policy form and fitting readily in the agent's pocket without additional folding. He said that while his company still has the plain application for the agent who prefers it, 90 per cent of its applications come in on the circular form. He also urged that form numbers for supplies be made as simple as possible, in order to make it easier for the agent to order them.

He pointed out that even where the need for simplicity is recognized and the plan is in vogue, constant effort is necessary to keep the business as simple as possible. When an unusual and complicated case arises, some one seeks out a remedy for the situation, "and before we know it, we have another question in our application, another qualifying paragraph in our policy or another detailed procedure which must be followed time and time again.

"Selling is action—seeing people, talking to people, forming new contacts. The more of the salesman's time he can devote to selling, and the simpler we can make the proposition he is supposed to sell, the happier he is going to be and the more of actual selling he is going to do."

Menace of State Insurance Is Cited

(CONTINUED FROM PAGE 25)

Accident & Health Insurance Week. The results obtained from that effort, he added, speak for themselves. "An educated and enlightened public on the subject of accident and health insurance creates more and much better prospects than a public conscious only of company advertising."

Speakers Unable to Attend

Several last minute program changes were necessary, due to the fact that scheduled speakers were unable to be present.

Thomas Watters, Jr., chairman of the legal section, who was to have presided at its session and discussed "Taxes Under the Social Security Act," is in a hospital in Iowa City, Ia.

Harlan Justice, deputy insurance commissioner of West Virginia, who was to have given the address of welcome, was unable to be in attendance and A. M. Holtzman, manager accident and health department, Colorado Life, who was to have spoken at the agency management session on "Building by Training," also was unable to be present.

Many of the golfers arrived Sunday or Monday to get in a little extra play on the splendid White Sulphur Springs course, as only a half-day was allowed for golf on the regular conference meeting days.

WANTED: NEW IDEAS

These constantly changing times create new Insurance needs . . . Enterprising field men have discovered some of these and, at their request, we have created coverages that have enabled them to acquire new premium volume . . . Others who need a stable carrier for special coverages will find us ready to co-operate and careful to keep their ideas confidential . . . Our agency contracts are liberal. Our underwriting practices favor sound progress . . . Inquiries will be handled by Company officials.

GREAT NORTHERN LIFE INSURANCE COMPANY

CHICAGO • ILLINOIS

ACCIDENT AND HEALTH and LIFE INSURANCE

Over Three and One-Half Million Dollars Paid In Benefits During Thirty-two Successful Years

Mutual Assessment Health and Accident
Protection for Select Risks Only

MINNESOTA COMMERCIAL MEN'S ASSOCIATION

2550 Pillsbury Avenue
Minneapolis, Minnesota

PAUL CLEMENT
Secretary

1886—OVER A HALF CENTURY OF SERVICE—1937

The North American Accident Insurance Co.

209 So. La Salle St., Chicago, Illinois

Oldest and Largest Company in America Writing Accident and Health Insurance Exclusively

District Managers and Representatives

WANTED

Geo. F. Manselmann, Vice President

**A GOOD YEAR TO CONNECT
WITH A GOOD COMPANY**

Accident and Health Insurance

*Broader
Coverage*

**OVER
45 YEARS
OF SERVICE**

*Better
Service*

Agents Wanted in Wisconsin and Michigan

The Time Insurance Company

SECURITY BUILDING

MILWAUKEE

*C. G. TRAPHAGEN,
President*

*JOHN A. KEELAN,
Sec'y and Agency Mgr.*

Accident Life Health UNITED INSURANCE COMPANY

(Founded in 1919)

2721 South Michigan Avenue, Chicago

ISSUING

INDUSTRIAL ACCIDENT AND HEALTH INSURANCE
INDUSTRIAL LIFE INSURANCE
MONTHLY PREMIUM ACCIDENT AND HEALTH INSURANCE
COMMERCIAL ACCIDENT AND HEALTH INSURANCE
GROUP ACCIDENT AND HEALTH INSURANCE
ORDINARY LIFE INSURANCE

Invites Correspondence from Producers

"No Menace to Insurance in Social Security Act"

(CONTINUED FROM PAGE 23)

year thereafter until the tax reaches the maximum of \$1.05 per week in 1949. We may say that for several years at least, the tax will be insignificant in so far as it creates a financial burden on the worker, such as would seriously interfere with his purchasing power to buy insurance protection.

Nation's Thoughts Now Focused on Security

"As an offsetting consideration to the effect of the voluntary contributions in the form of payroll taxes required of the classes covered by the act, there is the positive and glaring focus of the national thought on the subject of insurance in all of its forms. The social security program deals with security for the future. What greater impetus could one suggest to encourage the thoughts of the people of this country along the lines of the hazards of existence and adequate protection by way of insurance in some form? Those included in the law will analyze the benefits and supplement them to meet ordinary requirements. Those 21,000,000 wage earners not included in the law will be anxious to provide through private insurance, that which the law affords in part to their neighbor who may be within the qualified employments.

"Basically there is no conflict between the primary risks which you insurance men seek to cover and the coverage offered by the pension plan. Fundamentally the business of the life companies is the coverage of the risk of dying too soon, and that of the accident and health companies is coverage of the added risk of ill health or accident. The social security law on the other hand is coverage of the risk of living too long.

"Under the law, Congress is providing a large group of workers with a basis of individual security. Given this foundation it may be reasonably anticipated that those 26,000,000 people so favored will build a structure of additional and more adequate security coverage upon it, and those millions of workers without such basic security who are expected from the act will seek it from existing insurance companies."

A. E. Faulkner, president Woodmen Accident, who was chairman of the program committee, not only put in much time and thought on the preparation of the general program, but personally took charge of the agency management session and was largely responsible for making it so successful.

Warns Against Usurping Functions of the Bankers

(CONTINUED FROM PAGE 1)

an appraisal by a competent engineering firm, he declared. In lieu of this the accounting department should furnish values as appearing on the books, applying indices of present increases or decreases in cost, and making deductions for uninsurable items. Depreciation is to be determined by the accounting practice of the industry or by the management. The values should be scrutinized to ascertain that items are properly allocated to individual buildings. Stock or store room material may be carried in one account, and it may be necessary to have this amount split into its various values in different store rooms.

The insurance manager, he said, must weigh many considerations in purchasing protection. Well informed insurance managers should know what is needed to provide protection and how to obtain it in the contract without entailing too much detail or interference with working conditions. He should, however, obtain the assistance of a well informed broker who can obtain the most liberal inter-

pretation of underwriting regulations in the various jurisdictions. The broker's services should be utilized in an advisory manner in regard to forms or provisions of coverage, rather than in the determination of values and adequacy of coverage. Mr. Reese said he has regard for the integrity and good faith of brokers, but it is expecting too much that they be absolutely unbiased. The insurance manager should maintain close relations with agents and brokers, but it is better to confine purchase of insurance to a few offices and not do too much shopping or bargain hunting.

Attention must be given to the currency of forms. If possible, the coverage should be obtained under one or two policies from one or two companies. Arrangements can be made for reinsurance if it is desired to give business to local agents or others than the brokers with whom the firm usually deals.

New Hazards with New Methods

So far as the fire hazard is concerned, the extent of possible losses can be computed, but this is not possible so far as the hazards of legal liability and dishonesty of employees are concerned. Accordingly the insurance manager must study the needs for insurance, determined on previous experience of his own business or of those in similar lines. New methods in production have introduced many additional hazards and the public is becoming more claim conscious. It is necessary to scrutinize all probable sources of loss. It may be advisable to absorb accident prevention supervision as a function of the insurance department. All matters pertaining to probable losses should be known. All construction or alterations contracts which may involve assumption of liability, or probability of loss should be studied.

Loss control in all departments is important.

There should be a requisition for purchase of insurance on a numbered form in triplicate, one copy for auditing department, one for the department requesting insurance and one for the insurance department. This form should contain a brief description of the coverage. An order should be issued to the agent.

The most necessary record is one for fire insurance values. This may consist

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Chicago, Illinois

Send me The Accident & Health Review beginning with the next issue at the rate of (check plan) ☐ 3 for two years ☐ 2 for one year.

☐ Here's my check. ☐ Send bill.

NAME

ADDRESS

CITY STATE

of a card for every piece of property, on which is noted the type of building, number of stories, age, whether sprinklered, insurance value, rate of building and contents, etc. There should be obtained the makeup of the rate applicable to each unit, showing base rate, credits and penalties affecting the final rate. A plat and photograph of each building are helpful.

A policy and bill register should be maintained, divided into sections according to classes of insurance. To check expirations, he suggested use of a small card containing brief data on the expiration period, filed by months in a memorandum file. A record of losses is helpful.

The insurance manager should be allowed authority and discretion and should not be subjected to pressure as to where insurance is to be bought, he said.

He suggested the setup for an insurance department for large industry. At the head is the insurance manager. Under him is a fire prevention engineer with inspectors, draftsman, stenographer and typist; accountant with accounting clerks, stenographer and typist; rating clerk with stenographer; policy clerk with stenographer and typist.

Sit-Down Strikes in A.M.A. Spotlight

(CONTINUED FROM PAGE 2)

Risk Research Institute, national association of insurance buyers and self-insurers, were reviewed by Managing Director J. G. Goetz at a dinner sponsored by that organization. Mr. Goetz pointed out that in its short life Risk Research Institute pioneered in the elimination of the vicious "hold harmless" clause; undertook a nationwide poll looking to the revision of the standard fire policy, and sought nationwide support for the retrospective rating principle. Its analysis of commercial fidelity bonds has been acclaimed by carriers and producers, who have bought thousands of copies to distribute to clients. Its study of legal aspects of riots, strikes and the like was designed as a foundation for study of proper insurance protection for these exposures.

The need of a more flexible and expeditious handling of business is increasingly recognized by company officials and producers and it would seem that the psychological moment for the insurance buyers to make known their desires is not far distant, Mr. Goetz said. He emphasized, however, that buyers will have to present their views in an organized manner and work aggressively for their consideration.

Sees Peril in Legislation

Mr. Goetz warned of the danger that with the great volume of insurance legislation being considered and enacted, especially dealing with workmen's compensation and automobile, there is danger that the effect of these bills on the buyers' interests will be lost sight of. Most of the effort to influence or oppose such legislation has been made by insurance interests who naturally have been primarily concerned with their own phases of the laws proposed, he said.

Hyer Gives Talk

Harold Hyer, New York, fire adjuster for the companies, said a positive line of demarcation between direct and consequential loss is unattainable. He urged insurance people do not depend upon courts to find elastic interpretations for loss recovery, and indirect coverages should be placed in the many branches of the business available for it.

Mr. Hyer cited a recent large claim in which sit-down strikers pulled an electrical switch to stop humidifiers in a tobacco plant. Loss totaled \$150,000. He said it is a moot question as to whether it is direct or consequential, or whether it is under the riot and civil commotion coverage.

He mentioned other cases involving

H. & A. Conference in Annual Session

(CONTINUED FROM PAGE 23)

itself, instead of lumping it under the general heading of casualty insurance.

Harold R. Gordon, executive secretary, in his annual report reviewed the work of the conference for the past year, telling of the direct service given to member companies in providing information along various lines and also the broad institutional service for the benefit of accident and health insurance as a whole referring especially to the notable work done in connection with National Accident & Health Insurance Week.

Faulkner Presides at Special Agency Session

The morning session was devoted entirely to agency management, with A. E. Faulkner, president Woodmen Accident, presiding. The program arranged for that session was especially heavy and even with one or two of the nine scheduled speakers unable to appear, it ran far beyond the allotted time and gave no opportunity whatever for general discussion.

An executive session was held this afternoon, at which the reports of the treasurer and various committees were presented, with wholly informal discussion of some of the problems of general interest to the business. It was preceded by the presentation of the Borden and Busse talking movie, "Making a Sales Presentation Stay Presented."

At the annual conference banquet tonight, with H. N. Lukins, general counsel Washington National, as toastmaster, prizes were presented to the winners of the golf tournament held yesterday afternoon and also to the winners at the ladies' bridge party.

Matthias Main Speaker in Taxation Symposium

The principal address at the legal session, devoted entirely to questions of taxation, is by R. H. Matthias of Ekern & Myers, Chicago, on "Taxation of Accident and Health Insurance." Discussions of specific problems under that general heading include: "The Federal Income Tax as It Affects Life Companies Writing Accident and Health Insurance," H. N. Lukins; "The Federal Income Tax as It Affects Casualty Companies Writing Accident and Health Insurance," E. St. Clair, vice-president North American Accident; "State Premium Taxes," J. M. Powell, president Loyal Protective; "Municipal, Occupational and Franchise Taxes," V. J. Skutt, attorney Mutual Benefit Health & Accident; "Fees Payable by Accident and Health Companies," C. O. Pauley, secretary Great Northern Life.

Mr. Lukins was selected to preside at the legal session in the absence of Chairman Thomas Watters, Jr., who is ill in an Iowa City, Ia., hospital

direct and consequential loss and answered questions from the floor.

Attendance was 274, only seven less than last year's record. However, the 1936 figure was affected by the concurrent meeting of the National Fire Protection Association, so that this year's attendance represents no break in the progressively increasing interest that is being taken in these conferences.

W. K. Mendenhall, Bankers Trust Company, New York City, read the paper prepared by Ernest Mayer, treasurer Robert Gair Company, New York, in the latter's absence.

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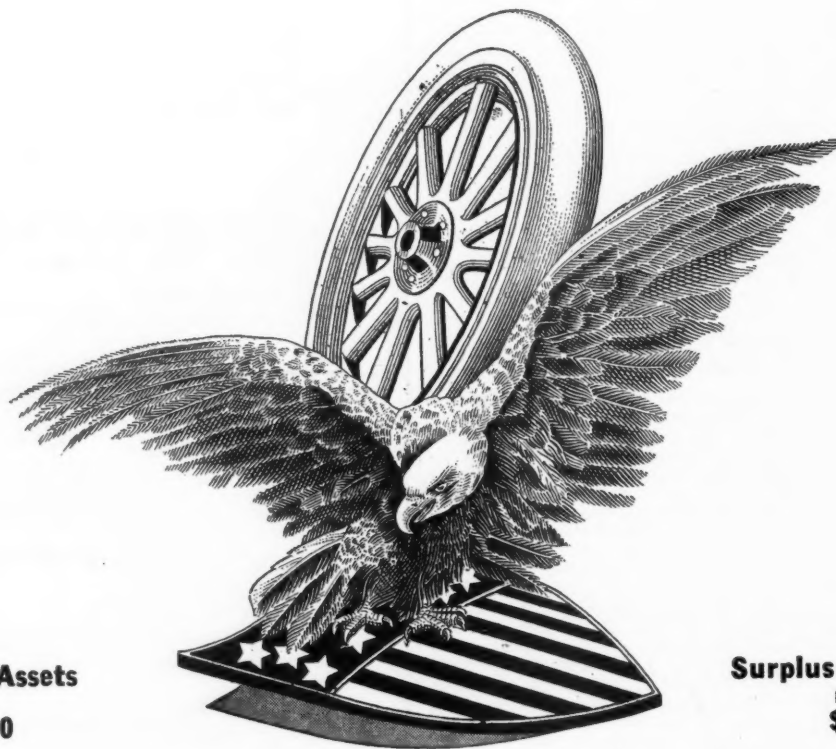
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—because of the substantial development of new volume possibilities in auto lines — are keenly aware of the many advantages of progressive underwriting practices and experienced, specialized company management.



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The NATIONAL UNDERWRITER

May 27, 1937

CASUALTY AND SURETY SECTION

Page Thirty-five

Tells of O. D. at Pinehurst Meet

Vice-President Randall of Travelers in Talk on Problem Pressing for Solution

SCHEDULE PLAN FAVORED

Fairness Should Govern on Accrued Liability—Prevention Is Most Vital of All

Far sighted consideration of a problem now confronting industry and insurance was indicated by the paper read at the meeting of the North Carolina Agents Association at Pinehurst last week by J. W. Randall, vice-president, Travelers, on "Occupational Diseases." This problem has been acute in the compensation field in various states for two or three years. With the problem still unsolved Mr. Randall pointed out that the ideas he presented were those of the day, and might not be his ideas of the past or of the future.

The heart of the problem of course is the accrued liability and Mr. Randall suggested the following:

"I believe the number of workers already affected by dust diseases and the degree of infection should be determined by proper medical examination. The cost of fairly compensating those workmen actually disabled because of occupational disease and how much money would be involved in the medical care, rehabilitation, etc., of all other such infected workers, should also be determined. The total cost when determined should be assessed against industry in the following manner: Industry over all should assume a part of the load; the specific industry in which the exposure is found should assume a fair share of the cost; finally, a still further share of the expense should be borne by the individual plant when the employees are exposed to a worse than average occupational disease hazard."

Important Factors Involved

There are weighty factors of course that must be given consideration. There must be kept in mind always the economic situation within a state and the well-being of the individual worker. If an impossible burden were placed upon individual risks or specific industries, affected employees would in all probability be discharged in order to bring about reduction in cost. Any plan that would increase unemployment, said Mr. Randall, would be a step backward.

He declared that labor in general will have to be convinced that the plan finally adopted is non-prejudicial to its interest. It will be necessary to demonstrate conclusively that medical examinations to determine the existence of dust diseases will be fair, impartial and non-prejudicial to the interest of the

(CONTINUED ON PAGE 40)

System of Compensation for Auto Victims Is Advocated

A. A. BALLANTINE GIVES VIEW

Former Undersecretary of Treasury Favors Elimination of Fault Factor—Addresses Management Gathering

ATLANTIC CITY, May 26.—A system of compensating victims of automobile accidents based upon the principle of workmen's compensation acts, disregarding the element of fault, was advocated by A. A. Ballantine in a paper given at the annual insurance conference of the American Management Association. He was formerly under-secretary of the treasury.

Mr. Ballantine recited most of the arguments that have been advanced by advocates of this arrangement.

Under the present common law action theory, even in Massachusetts, with its compulsory insurance law, he said the victim faces delay in getting recovery, he must split with his lawyer, ambulance chasing flourishes, court congestion is caused, recovery may be unreasonably high or unreasonably low.

Responsibility Laws Futile

Mr. Ballantine expressed the belief that the net result of financial responsibility laws is "relatively unimportant."

No system of compensation, he contended, can be made satisfactory which adheres to fault as the basis of liability. In most cases fault cannot in reality be determined. "The attempt to determine it requires the complex and slow process of litigation and the determination of fault is not the point: The point is actually to secure reasonable relief for accident victims in a practical and efficient way."

The compensation plan would operate in the field of automobile accidents, he asserted, by having damages fixed in accordance with a largely automatic statutory schedule. Every motorist would be required to pay compensation for death or disability caused by him without regard to fault, unless the injury was caused by wilful intention of the injured person, or the car was being operated without the owner's consent or the injury was to the owner himself. He suggested that no compensation be payable for the first seven days of disability. Reasonable medical expenses would always be paid. He suggested that the average weekly wages of the injured be taken as the basis of benefit with an assumed minimum to be applied to those unemployed. He made some other suggestions as to details of the system. The schedule, he declared, cannot lean upon actual earnings as much as do the workmen's compensation schedules. However, he observed, jury verdicts and settlements do not rest upon any scientific basis or achieve anything like uniformity.

Compensation When Needed

A schedule plan would provide the injured and his family with compensation when it is needed, almost always without contest or expense. The administration of the act would follow the commission plan of the workmen's compen-

Crime Recession Having an Effect on the Claims

LOSS RATIO BEING REDUCED

Casualty Companies See the Effect Particularly in Their Burglary and Plate Glass Business

There seems to be, at least for the time being, a recession in crime in this country so far as its effect on insurance is concerned. There have been cities that were hot spots from a burglary and plate glass standpoint that are now in a normal shape so far as loss ratios are concerned. New York City, Chicago, Kansas City, Mo., and other points in the past were looked upon as very undesirable and unprofitable sections. In New York City there has been a very aggressive move against rackets of all sorts.

Effect of Courageous Polley

State's Attorney Courtney in Chicago has been militant in running down automobile thieves, burglars and other criminals. Where the public authorities really go after criminals the effect is soon seen. Organized bands are broken up. When so-called fences are discovered and driven out there is no place for the buying and selling of stolen property. Classes of business that in these cities in days gone by were uninsurable are now accepted. Naturally the companies require physical safeguards. Underwriters declare that the danger that has to be considered is companies getting a great deal of business on the books that was unprofitable in days gone by that may resume the old situation if subsequent public officials become lax and careless.

In cities where plate glass was broken largely to create work for glaziers or for revenge there seems to be a decrease in this vandalism. Just at present, therefore, casualty companies are accepting freely burglary and plate glass where they count the moral hazard desirable.

sation acts, he suggested. He expressed the belief that fraud would be greatly minimized.

The cost of insurance under the schedule system, he said, would be about the same as the cost in Massachusetts under the compulsory plan, if the scale of damages were based upon the Massachusetts compensation act and would be about 60 percent more if the

(CONTINUED ON PAGE 40)

Special Section Covers H. & A. Conference Meet

The annual meeting of the Health & Accident Underwriters Conference, held this week at White Sulphur Springs, W. Va., is reported by Frank A. Post, associate editor of the National Underwriter and editor of The Accident & Health Review, in a special section which appears on pages 23-33 of this issue.

Pink Gives Ideas on Auto Liability

New York Department's Chief Addresses American Management Association—Goodale Speaks

THREE REMEDIES GIVEN

Financial Responsibility Laws, Merit-Demerit Ratings, Deductible Clauses Appear Most Practical Methods

Adherence to the financial responsibility law system, merit and demerit rating and deductible clauses in liability policies seem the best answer to the problem of insuring safe automobile drivers and denying coverage to reckless motorists, Superintendent Pink of New York told the annual conference of the insurance division American Management Association this week at Atlantic City, N. J. Compulsory insurance and state funds will not solve the problem, he declared.

He and A. R. Goodale, assistant secretary the Travelers, Hartford, discussed problems connected with automobile coverage. There were a number of other speakers.

Mr. Pink in outlining the relation of insurance to public safety predicted if the present trend continues automobile death toll for 1937 in this country will total 50,000. Because of callousness of the public to this death rate, a cardinal principle of automobile insurance must be that it develops caution, care and decency on the part of the driver and offers a premium to the man who is considerate and honorable on the highway. It must not offer an invitation "to pay as you kill." The coverage must penalize the driver who is thoughtless, indifferent and reckless. The financial responsibility law, in force in 23 states and seven Canadian provinces is undoubtedly the most satisfactory system yet devised Mr. Pink declared. He said it discourages carelessness but the difficulty is that perhaps half of the cars are operated by those who are neither insured nor responsible.

Raps Bay State Law

However the compulsory law as in force in Massachusetts is not a satisfactory answer to public demand for control over unsocial drivers. The superintendent reviewed the evils of this law, especially political rate making, ambulance chasing, increased insurance cost and worse, the tendency to make the reckless driver more reckless since he knows that he is financially protected if he injures any one.

On the other hand, a compensation plan for automobile accidents similar to workmen's compensation, while comprehensive, would not discourage accidents and would encourage the establishment of compulsory state funds. It would probably more than double the present premium rate and would be con-

(CONTINUED ON PAGE 40)

New Hampshire Increase in Rates Denied by Sullivan

HIGH LOSS RATIOS CITED

Commissioner Admits Continuation of Present Accident Rate Will Eventually Force Increase

CONCORD, N. H., May 26.—While admitting that if the present accident rate continued there would inevitably be higher rates on automobile liability and property damage in New Hampshire, Commissioner Sullivan has refused the request of companies for increases ranging from 13 percent to 49 percent in different parts of the state. Company representatives at a hearing claimed loss ratio for the last two years averaged 82 percent and that against 166,427 cars insured during the past five years there was a record of 7,912 claims filed.

Against the allowable loss ratio of 55 percent the experience in Manchester was 98 percent and in Nashua 104 percent; the third district of Berlin, Keene, Laconia, Dover and Portsmouth had an experience of 90 percent; Claremont, Franklin and other district 4 towns, 94 percent and the remainder of the state, district 5, 77 percent. Fatal accidents in 1936 to date have been double those of 1935.

Mr. Sullivan claimed the companies' conclusions were inaccurate, maintaining they are capitalizing on a scientific and involved method of calculations. He prefers to figure losses on the cash and premiums received and cash disbursements basis.

An increase of 7 percent was allowed a large part of the state last year.

A. E. Spottke, National Bureau of Casualty & Surety Underwriters, and J. R. Fleming, American Mutual Alliance, represented the companies.

Pink Has Made Final Report

New York Superintendent Tells About the Affairs of the International Reinsurance

NEW YORK, May 26.—Superintendent Pink filed his third and final report and petition in the conservation of the New York affairs of the International Reinsurance. It deals principally with the claims of general creditors in New York State of the International Reinsurance, Independence Indemnity and Public Indemnity. It recommends total allowances of \$1,507,994 on the 6,282 claims.

The report summarizes the payments to workmen's compensation creditors out of funds on hand with the superintendent here. These claims, which have a preference over general claims by reason of section 34 of the workmen's compensation law, were confirmed in the two earlier reports. Total awards were made of \$561,055 of which \$288,167 has been paid to date. There will be further distributions to compensation creditors out of trust assets and it is believed that eventual distributions to this class of New York creditors will bring total payments to 70 or 75 percent of their allowed claims.

The International Reinsurance was placed in receivership on April 19, 1933, at Wilmington, Del., and on May 2, 1933, a court order was entered appointing the superintendent of insurance as conservator of its New York affairs.

William Leslie Gives Talk

Discussion of retrospective rating plan operations by William Leslie, general manager National Bureau of Casualty & Surety Underwriters, was the feature of a recent luncheon of the Casualty Underwriters Association of New Jersey, held at Newark.

Armstrong Crawford Says Casualty Carriers to Split

At the May meeting of the Detroit Association of Insurance Agents, Armstrong Crawford, president Great Lakes Casualty, predicted the splitup of casualty companies.

The bonding business is not insurance but credit, he said. Its underwriting and reserve problems are different. Some bonds with a recurring hazard cannot be terminated. In insurance, the cancellation clause is very important. Hence, corporate suretyship should be confined to specialty companies.

Workmen's compensation is not casualty insurance as it is based on statute acts. It is hard for companies to figure rates as closed cases are often reopened later. Workmen's compensation payments are becoming social welfare payments and the trend in this direction will result in state funds or specialty companies writing the business. Accident and health insurance should be written by the life companies or specialty companies, he asserted.

Financial structure and methods of computing reserves of casualty companies should be changed, 100 percent of deposit premiums to be held in reserve.

Revamps Boston Office

H. T. Campbell Retires as New Amsterdam Representative; David Polson Becomes Branch Manager There

BOSTON, May 26.—Announcement will be made this week of retirement of H. T. Campbell from Simpson, Campbell & Co., for the past 30 years representative of the New Amsterdam Casualty in Boston and vicinity, and naming of David Polson as manager and Jesse Harding as assistant manager of a branch office to represent it. Mr. Polson comes from New York and Mr. Harding has been assistant to Mr. Campbell. Mr. Campbell retires from all business activities.

Joseph Beal and Joseph Weinberg, who have occupied the same agency with Simpson, Campbell & Co., for many years, will take over representation of the fire companies in the agency, which include the Detroit Fire & Marine, Michigan Fire & Marine, American Central, Central Fire and Transcontinental. Decision has not yet been reached on the title of the new fire agency but it is understood provision will be made to include J. A. Simpson, who, despite his 88 years, is still a daily occupant of his desk in the office.

Non-Conference Auto Men Hold Parley on Iowa Rates

The officers of a dozen or so automobile insurers of Iowa had a conference leader with officers of such companies in other states that operate in Iowa in an attempt to get an understanding as to rates. Some of the larger non-conference companies have become concerned because of the rate competition in Iowa, as there seems to be no bottom. The problem is complicated in that state because mutual companies in Iowa are required to set up neither premium nor loss reserves. Some of the newer companies apparently have little conception of the business and seem to be content to take in enough in premiums each day to pay expenses and current losses. The more seasoned operators decided to get together and attempt to halt the downward rate spiral that has been accentuated by the activities of certain newcomers.

New service office quarters have been established at 614 Harries building, Dayton, by the U. S. Fidelity & Guaranty under the supervision of W. F. Brewer, district supervisor.

Acquisition Cost Conferences Elect Executive Committee

E. M. ALLEN MADE CHAIRMAN

Joint Committee Expected to Speed Action, When General Manager Is Selected

Inasmuch as J. A. Beha retired from the National Bureau of Casualty & Surety Underwriters he formally resigned as chairman of the casualty and surety acquisition cost conferences. At a meeting in New York City they elected a joint executive committee which will exercise a number of the duties of the chairman. The committee consists of the Continental Casualty, Fidelity & Casualty, Fidelity & Deposit, Maryland Casualty, Massachusetts Bonding, Aetna Casualty & Surety, American Surety, Hartford Accident & Indemnity, Indemnity of North America, London & Lancashire Indemnity, Globe Indemnity, Hartford Steam Boiler, National Surety, Travelers Indemnity and United States Fidelity & Guaranty. M. J. O'Brien, vice-president Fidelity & Casualty, acted as temporary chairman, presiding over the conferences.

The creation of a joint executive committee representing the Fidelity and Surety and the Casualty Acquisition Cost Conferences, is due to a desire to furnish a compact body through which the general manager of the two associations when elected could work quickly pending the selection of such official. E. M. Allen, vice-president National Surety, will serve as chairman. Heretofore each of the conferences has had standing committees on national agency and local agency matters, as well as special committees named from time to time to deal with particular problems but neither has had an executive committee.

Cites Drop in False Cases in the New York City Area

New York District Attorney W. C. Dodge will set up a permanent accident fraud case bureau when the term of the special bureau in New York City which has been investigating these cases expires in June, according to C. J. Shearn, retiring president of the Bar Association in that city.

The work of the bureau has resulted in a considerable drop in personal injury litigation on New York City court calendars. During January and February, 1937, statements of retainers filed with the appellate division showed a decrease of 28 percent from the same period last year. Notes of issue in personal injury cases in the city court dropped 29 percent, in the supreme court of New York county 16½ percent, Bronx county 50 percent and Bronx county city court 36 percent during the same month. During the year 18 attorneys were disbarred, 12 suspended for periods from three months to two years and three censured by the court.

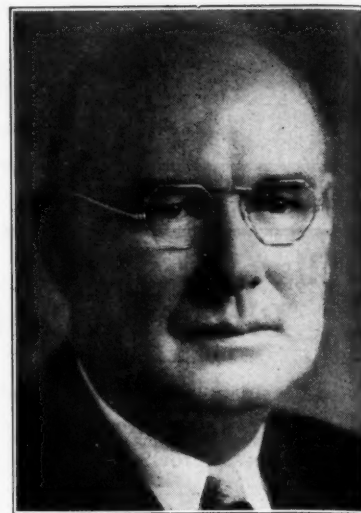
In addition doctors, runners and fake claimants have been convicted. The bureau work was carried forward by a \$75,000 appropriation by the board of estimates and the bar and county lawyers associations provision for employment of young attorneys in investigation work.

Davey Signs Casualty Bills

A law providing for four regional boards to consider workmen's compensation claims has been signed by Governor Davey of Ohio. Each board will be composed of three men.

The governor has also approved a bill to exempt police officers in Ohio from personal liability created by automobile accidents while responding to emergency calls.

Arkansas Speaker



C. F. LISCOMB, Duluth, Minn.

C. F. Liscomb of Duluth, Minn., chairman executive committee National Association of Insurance Agents, represented his body at the annual meeting of the Arkansas association at Hot Springs.

Traffic Deaths Reported Cut in 42 Percent of Nation

The National Safety Council reports that traffic accident death totals were reduced "an average of more than 8 percent in 1936 by 16 states, the District of Columbia and 116 cities of more than 10,000 population outside those states."

The report showed that cities and states which contributed to the reduction represented "at least" 42 percent, or 54,531,349 of the nation's 128,400,000 population.

Had the entire country matched this reduction, the council said, 1936 traffic fatalities would have numbered 33,372 instead of the all-time high of 37,800 (final revised figure that will stand until U. S. Census Bureau total is announced).

The council said the reduction was "the more remarkable" because it was accomplished in spite of record automobile mileage and the largest motor vehicle registration ever recorded.

Casualty Bureau Established

N. I. Ettinger has established the Casualty Service Bureau in the Brown building at Rockford, Ill. He has had five years field experience and two years home office experience in different casualty lines. From his office he will cover claims in northern Illinois and southern Wisconsin. He includes accident and health and inland marine in his service.

No Change in Chicago

The Chicago surety situation continues as formerly, its affairs not having been mentioned at the recent joint gathering of the acquisition cost conferences. A newly completed survey by the casualty conference revealed the agency limitation rules the country over are being observed surprisingly well, in view of the charges of bad faith so frequently heard. That violations exist in certain centers is unquestionably true, but by and large the rules are being adhered to.

Williams Goes to Birmingham

A. B. Williams of the U. S. Fidelity & Guaranty home office, has been appointed underwriter at Birmingham, Ala. He recently completed the company's special training course.

De Celles Is Vitriolic on Stand Against Frank Cohen

TERMS FINANCIER "MAD DOG"

Massachusetts Commissioner in Commonwealth Mutual Hearing Charges Wrecking 13 Companies

BOSTON, May 26.—Frank Cohen, New York financier who was behind the defunct Commonwealth Mutual, was termed an "insurance racketeer" and "mad dog of the insurance world," who "dreamed of insurance empire based on fraudulent and colorful deeds," with a record of wrecking 13 companies in 28 states in the last seven years, by Commissioner De Celles in a two-hour tirade against Cohen today before the special legislative investigating committee.

De Celles appeared for a second time at his own request to answer attacks. He demanded to be allowed to cross-examine Cohen if he appeared.

Claims Juggling of Finances

The commissioner accused Cohen of juggling finances of every company he secured control of; of replacing negotiable securities and cash with worthless securities of stock of other Cohen-controlled companies.

De Celles declared the Boston company was the last link in the chain of Cohen's national manipulations and, while the end was not yet, he, De Celles, had given it a severe blow in closing up the Commonwealth Liability.

Cohen was officially adjudicated by Justice Clancy of the federal court of New York as "the prime mover in a fraud" that mulcted \$86,000 from a Boston corporation, stated De Celles, and his last appearance in Massachusetts, before the Commonwealth, left \$500,000 of claims in Lloyds Casualty unpaid.

Refers to \$200,000 Loss

A Cohen check back of one of the financier's deals landed in the Continental National Bank of New York, where it eventually cost the depositors \$200,000, Mr. De Celles stated. He also said Cohen drew money from the Commonwealth of Boston and juggled the finances there.

The commissioner declared he was prepared to back up all his statements and presented many affidavits, court records and findings to cover accusations he made.

He extended his denunciation of Cohen to include as the associates of the latter, Lawrence Lee, president of the Occidental Life; Julius Barnes, former president United States Chamber of Commerce; Col. Huston, former chairman Republican National Committee, and a man named Blair, treasurer of the national Republican committee in the Hoover campaign.

Denies Knowing Cohen

At the afternoon session De Celles emphatically denied he ever met Frank Cohen until Dec. 13, 1936, the day before a receiver was asked for the Commonwealth, at which time Cohen came to Boston to try to save the company. It had been previously claimed by several witnesses that De Celles had met Cohen in New York even before the company started as offsetting De Celles' early statement he would not have allowed the company to operate if he had known Cohen was interested.

De Celles defended his position in granting a license to the mutual on information that \$78,000 had been deposited in a bank and checks for \$22,000 (backed by a \$25,000 government bond) delivered to meet the legal requirement for \$100,000 paid up subscriptions in cash to qualify a company.

The commissioner criticised the lack of adequate legislation to allow him to use discretion in preventing the starting and operation of such companies and declared efforts had been made ever

(CONTINUED ON PAGE 44)

LEGISLATIVE • DIGEST •

Connecticut—The automobile guest law repeal bill has passed the house. The senate will act upon it soon.

New Hampshire—An administration bill filed by a special commission which has been studying compensation laws provides for a marked extension in the coverage and benefits. It is recommended that the act apply to all employers of five or more persons. The bill would extend coverage to include lumbering and construction work, clerks and employees of stores, and city and town employees on municipal projects involving revenue income. The bill provides for a maximum disability of \$17, instead of \$15, and increases the total maximum amount payable in a 300 week period from \$4,500 to \$5,100.

Massachusetts—The governor has signed a bill providing that when a man is killed in an industrial accident and leaves a widow and one child, the widow will be paid under the compensation act until the child reaches the age of 18 years. Under the present law the compensation is only for a short time.

Michigan—Casualty companies incorporated in Michigan would be permitted to issue stock of a par value as low as \$1 and would be allowed greater leeway in shrinking or increasing their capitalization under terms of a bill introduced by George Weadock, chairman senate insurance committee. The present law requires a par value of not less than \$10.

Not State Instrumentality

AUSTIN, May 26.—The Texas Employers Insurance Association is subject to the same taxes as other insurance companies in the state, it is held, and judgment of \$15,348 has been entered against it in district court here on a suit brought by Attorney-General William McCraw. The decision came after a 24-year controversy. The Texas Employers was organized in 1913 to write workmen's compensation. It claimed to be an instrumentality of the state and hence exempt from taxation on that ground. The decision means it will be subject to gross income taxes hereafter.

The Mennonite Mutual Fire of Newton, Kan., has changed its name to Midland Mutual Fire.

What Would I Do in the Post of the Other Man

F. L. Greeno of Rochester Gives Some Forceful Advice to Executives

SYRACUSE, N. Y., May 26.—F. L. Greeno of Rochester took the companion piece of "If I Were" at the New York agents meeting, he telling what he would do if he were a company executive and C. C. Hannah of the Fireman's Fund, on the other hand, telling what he would do if he were an agent.

Mr. Greeno said if he were an executive he would resist all delusions of grandeur. He would not get the idea that special privileges continue a long while. He would not become enamored with the idea that there had been conferred on him and his associates some sort of divine right. He would not expect agents to go over the top to engage non-stock companies without the support of the artillery. He would insist that there be committees of company executives bringing influence to bear on executives of large corporations endeavoring to convince them of their folly in purchasing and supporting non-stock insurance.

Criticises Publicity Material

Furthermore he would stop wasting his ammunition in tons of advertising circulars of little interest to the public because it is of the horn tooting variety and no one reads such material. He would back his agents with advertising of a very different sort. He would discriminate in his advertising. He would not care whether a company's name were mentioned or not. He would tell about the merits of sound stock insurance. He would recognize the fact that agents cannot undertake a big program of education and publicity with their commission allowance. He would not allow his company to be represented in an agency which has mutual or non-stock companies. He would refuse to be a director in a stock corporation which places any of its insurance in non-stock companies. He would believe fairly in the integrity and essential na-

(CONTINUED ON PAGE 41)

C. C. Hannah, Manager Fireman's Fund Gives Counsel to the Local Agents

SYRACUSE, N. Y., May 26.—C. C. Hannah of Boston, eastern department manager of the Fireman's Fund, told the New York agents at their convention this week what he would do if he were in the local field. He made the following observations:

Business should be studied in order to keep abreast of all changes and revisions, rates, forms and rules. A good insurance periodical should be read. An up to date book on forms should be owned. Business should be built along sound lines. Companies regardless of size should be represented that have the highest reputation for sound management and integrity, whose underwriting policies are broad and liberal and that can render substantial service.

Mutual companies should not be represented because the stock and mutual processes cannot go along together in harmony.

Should Recognize Responsibility

A good accounting of agency stewardship should be rendered to companies. An agent should recognize the responsibility vested in him and he should underwrite at the source. He should be prompt in his remittances. He should divide his premiums into two parts, one, balance due companies, and the other, commissions. Separate bank accounts should be kept. An agent should live within his income. He should maintain a reserve to meet any special emergencies. He should recognize the limitations of his authority.

Agency details should be adequately handled, there should be economy of time and effort practiced. The most efficient and economical systems should be maintained.

Needs of customers should be considered should be presented if in the judgment of the agent the customer is exposed to danger. The best forms and rates available should be secured.

Should Be No Deviation

There should be no deviation from requirements of rates, rules or forms and the agent should patronize home enterprises and urge reciprocity as far as insurance is concerned. An agent should take part in worth while community enterprises. He should have sufficient knowledge to advise town authorities as to the best standards of fire protection and construction. He should be a member of agency associations, local, state and national.

An agent should be constructive and not destructive in his views. He should be tolerant of others and be not a leader of movement designed only to provide issues. He should discourage the increasing tendency to over emphasize entertainment at agency association meetings. A proper regulation of rates, rules, forms and commissions should not represent cut rates, non-association companies, either directly or under the counter.

Drop Oklahoma Stamping Bureau

OKLAHOMA CITY, May 26.—By unanimous vote the Oklahoma insurance board rescinded its order of last December which established a stamping bureau for automobile liability and property damage.

Beautycraft Seeks Charter

The Beautycraft Insurance Company, Fresno, Cal., has applied to the California department for license.

Texas Agency Officials



TOM P. ELLIS, Dallas



D. G. FOREMAN, Fort Worth

The Texas Association of Insurance Agents is holding its annual meeting at San Antonio this week, starting Thursday. Tom P. Ellis of Dallas is president

and D. G. Foreman of Fort Worth, executive secretary. The Texas association is one of the most active and influential of the state bodies.

FIDELITY AND SURETY NEWS

Contract Bond Business Off

Government Is Not Promoting So Many Large Enterprises As It Has Heretofore

Surety companies report that the contract bond business has declined quite a bit during the last three or four months because the government is not promoting as many projects as it did. Therefore, the prediction is that surety premiums may decline this year on account of the decrease in contract work. The government was interested largely in promoting these enterprises to take care of unemployed, unskilled labor. Skilled workmen have no difficulty in securing work. In fact, there is a dearth of such workmen in many of the mechanical lines. The contractors found that having foisted upon them unskilled laborers of uncertain ability it was necessary to load the contract price because they felt it might be necessary to employ their own help and eliminate the government unemployed even though they had to be taken care of.

Verdict of \$15,000 Against Former Sheriff in Missouri

Verdicts against sheriffs and bondsmen for personal injuries caused by deputies are giving the surety companies some concern. At Clayton, Mo., recently a jury in circuit court awarded Martin Donelon \$15,000 against Phillip Deuser, former sheriff of St. Louis county, and the Fidelity & Deposit, his bonding company, for a beating he is alleged to have suffered at the hands of Clarence Zahner, who was a deputy under Sheriff Deuser.

Donelon charged that as a result of being struck on the head by Zahner, his mind was affected and he was a patient at the Missouri State Hospital for the Insane at Farmington, Mo. Zahner testified that he had been called to the 6200 block on Easton avenue, Wellston, to quiet a fight among four men, and that in subduing the fighters he struck Donelon only one blow with a rubber billy and that blow was in the face. Physicians for the plaintiff and defendants disagreed on the cause of the insanity.

Not long ago a sheriff was held liable in a large sum for injury to a prisoner when the automobile owned and driven by a deputy was involved in an accident while the deputy was conveying the prisoner to a place of detention.

Tavern Keeper Bond Status in Wisconsin Under Debate

MILWAUKEE, May 26.—The Balzer tavern keeper bond bill which was passed by the assembly has been recommended unfavorably by the senate corporation and taxation committee. It eases the law regarding the forfeiture of tavernkeepers' bonds, giving the courts discretion over the amount of the bond to be forfeited, instead of making it mandatory that the full amount of the bond be forfeited in cases of guilt for violations. The Ryan resolution to recall the bill from the senate was defeated. Spokesmen for bonding companies and tavernkeepers have appeared for the Balzer bill, which would be retroactive and affect the adjustment of some \$900,000 of bonds which companies are alleged to have failed to pay on tavern keepers whose permits have been revoked for law violations.

Action by the city attorney's office to obtain forfeiture on tavern bonds has raised the price of sureties and caused companies, for the first time since repeal, to investigate the characters of the

applicants. New bonds will be required for the next tavern license year beginning July 1, and tavern men say the companies have increased the cost on a \$1,000 bond from \$16 to \$18.50. Inquiries are being made into financial responsibility so that companies may collect what they can from tavern keepers in case of forfeiture. Questionable taverns are finding difficulty in obtaining renewals. A new law permits tavern keepers who have an unencumbered \$2,000 real estate equity to furnish personal bonds. Previously a \$1,000 surety bond or a \$200 cash bond were required.

Pennsylvania Bill Defeated

HARRISBURG, PA., May 26.—The Pennsylvania legislature has defeated the measure seeking to create a state fund for furnishing fidelity bonds to all state employes.

COMPENSATION

Occupational Disease Bills in 23 Legislatures Reviewed

In a special report the United States Department of Labor discusses the occupational disease legislation of various states. Bills were introduced in 23 legislatures and occupational disease laws were enacted in Indiana, Washington, Delaware, Nebraska, Ohio and Rhode Island. Idaho, Maine, Montana and Oregon have provided committees to study the problem, Idaho and Montana each appropriating \$5,000 for the purpose. New York amended its fund to provide for funeral expenses in silicosis cases. The Indiana law is modeled after the Illinois law of 1936. Washington has adopted coverage for a schedule of occupational diseases, including dust, providing the claimant has been employed in the state for three years immediately preceding and has had a substantial exposure. The cost of the coverage is borne equally by employer and employee.

The Delaware bill, which originally provided for general coverage, has been amended to provide a short occupational disease schedule. The Nebraska measure includes any occupational disease contracted in battery manufacturing plants among those to be compensated. Limited compensation payments for total disability due to silicosis or asbestosis is provided in Rhode Island. Silicosis is added to the schedule of Ohio compensable cases and benefits are payable for total disability or death.

Bills providing for general or scheduled coverages are still pending in Michigan, Pennsylvania and Tennessee. Bills providing for coverage of silicosis only are pending in California and New Jersey. Illinois and Wisconsin are considering amendments to existing laws. A bill providing for occupational disease study is before the Massachusetts legislature.

Expect Michigan Fight

LANSING, MICH., May 26.—Closing days of the Michigan legislative session are likely to bring a bitter fight over the occupational disease bill. The house committee has reported for floor action the occupational disease bill passed by the senate. The measure is fairly liberal although fewer diseases would be compensated than under a substitute bill which was earlier reported by the committee and was returned to it after violent objections had been raised on the floor and many amendments had been offered.

Pro-labor legislators are expected to seek an extremely liberal measure, with no limit placed on awards for silicosis

and asbestosis and with a larger number of diseases and ailments included.

Bay State Cuts Cost in Car Manufacturing Field

Reduction in compensation coverage costs for employes in the railroad car manufacturing industry and in several small industries in Massachusetts have been announced by Commissioner De Celles. These cuts were worked out by the companies' bureau.

Reduction for employes in the railroad car field totals about 17 percent. In small industries which have premiums of \$200 or less, reductions on a percentage basis were cut from 14 to 40 percent.

Speed Up Ohio Claim Work

COLUMBUS, O., May 26.—Governor Davey will soon appoint four boards of three members each to adjudicate claims for injuries and deaths in industrial accidents, each member to serve six years and receive \$3,600 a year. Members of the boards will have the same authority as members of the state industrial commission. It is believed that under this arrangement the hearing of claims and settlement of cases will be expedited considerably. Hearings will be held in different cities.

Indiana Has Big Problem

W. C. Eaton of the Zurich, in addressing the meeting of the Illinois Association of Insurance Agents, in Springfield

on the occupational disease problem, declared that Indiana faces a "very big problem" in the matter of assignment of undesirable O. D. Risks. In that state an O. D. law, modeled on that of Illinois, was recently passed. Just when it becomes effective is not known. It will become operative upon proclamation of the governor, but Mr. Eaton said he has not been able to get an explanation of just what that means.

Will Formulate Indiana Plans

INDIANAPOLIS, May 26.—The Indiana committee of the National Council on Compensation Insurance will meet here tomorrow and Friday to formulate methods for writing business in the state under provisions of the new occupational disease law.

Will Visit Branch Offices

NEW YORK, May 26.—H. F. Richardson, secretary National Council on Compensation Insurance, left New York Wednesday on a three weeks' trip among the branch administrative offices throughout the central west. He plans to visit those in Michigan, Colorado, Kansas, Oklahoma and Missouri.

New Michigan Officials

Joseph Ashmore of Jackson has been appointed secretary of the Michigan department of labor and industry succeeding Col. John Boer, Muskegon. Mr. Ashmore has been deputy commissioner. He will be succeeded as deputy by James Craigen, Detroit attorney.

NEWS OF CASUALTY COMPANIES

Auto Mutual Indemnity Probe

New York Department Report Showed Deficit in Its Contingent Reserve, Since Made Good

The New York department has released its report of examination of the Auto Mutual Indemnity of New York City, showing a deficit of \$13,198, being in its contingent reserve or guarantee fund. Since then the management has made a contribution of \$13,200 to surplus through subscriptions to additional capital notes. It has ceased writing new business and reinsured all its statutory New York state taxicab business in the Manhattan Mutual Automobile Casualty. It ceded over premiums of about \$500,000. This affords a contingent profit of \$36,000 and also releases \$25,000 from its statutory reserves.

Agents Purchased Capital Notes

During 1936 the contribution to surplus through the sale of capital notes amounted to \$110,000. A number of purchasers of these certificates are agents. The assets are \$961,306 and surplus \$86,802. The department recommends that the management and underwriting expenses be reduced within the limitation of 30 percent of the premium income fixed by the law. It further says:

"The company needs to take immediate action to reduce its excessive loss and expense ratio on its business in other states by reduction of commissions, increase of rates and elimination of risks or classes of risks found to be unprofitable. Especially it appears that the hired truck risks and some of the other long haul truck business have been particularly hazardous. The company advises that it is taking steps to carry out this recommendation.

Too Much Business Written

"The premium writings of this company have been increased far beyond the normal ratio to the surplus which it has at any time possessed, and the greater proportion of this increase has proved to be derived from an unprofit-

able class of business. The company should defer any further expansion program until its surplus position warrants additional premium volume."

On March 31, the company showed assets \$1,017,748, surplus \$124,044 of which \$100,000 represents a statutory guarantee fund. The premium reserve was \$191,416 and loss reserve \$630,542. The total outstanding capital note certificates are \$183,817. Premiums written during the three months amounted to \$525,382. The company has done a large amount of taxicab and long haul truck business.

Central Mutual Auto Assessment

The Central Mutual Auto of Detroit is now arranging to levy an assessment of 25 percent in accordance with the action of the directors. The Michigan department examination showed a deficit and after a number of plans had been considered to either reinsure the business or rehabilitate the company, a restraining order was obtained preventing the Michigan department from interfering with the levying of the assessment.

New Director American Surety

H. O. Havemeyer, treasurer and director of Havemeyer & Elder, is elected a director of the American Surety. He is president, treasurer, and a director of the Brooklyn Eastern District Terminal; treasurer and director of the Scranton & Lehigh Coal Co., Brooklyn Elevator & Milling Co., and a director of the Kinnecock Copper Co., Cape Cruz Sugar Co., Chase National Bank, Copper River and Northwestern Railroad, North American Reinsurance and Company Agricola Pilon.

Declare Extra Dividend

An extra dividend of 10 cents a share was declared by directors of the Pacific Indemnity, in addition to the regular quarterly dividend of 40 cents, both payable July 1 to stockholders of record June 15. A similar extra payment was made in the preceding quarter. The first quarter report shows earnings from underwriting, and investments — \$206,648, equal to \$1.38 a share on out-

standing capital stock compared with \$189,194, or \$1.27, in the first quarter. There was available for surplus \$104,095 from profit sale of securities and other surplus adjustments. Earnings and other surplus gains totaled \$310,743 for the quarter against \$297,522 for the first three months of 1936, both figures being prior to dividends. Admitted assets were \$9,678,621, policyholders surplus and contingent reserve \$4,809,635, an increase of \$235,743 for the three months.

Casualty Changes Notes

H. O. Havemeyer, treasurer Havemeyer & Elder, Inc., has been elected a trustee of American Surety in the class expiring in January, 1939.

Ray H. Odum, formerly an attorney at Rusk, Tex., has been placed in charge of the San Antonio, Tex., service office of the U. S. F. & G.

CHANGES

J. Ray Donahue in New Work

Becomes Vice-president of the United Endowment Foundation in Charge of Pennsylvania

J. Ray Donahue, who has been in charge of city production for the United States Fidelity & Guaranty in its Philadelphia office, has become vice-president of the United Endowment Foundation at 52 Vanderbilt avenue, New York City. He will have charge of production in Pennsylvania. Its function is setting up trust funds wherein individuals may make either lump sum or systematic periodic deposits with a New York national bank as trustee. In connection with the monthly deposit plan, the foundation has a contract with the Connecticut General Life which guarantees the completion of the contemplated deposits in the event of the death of the accepted beneficiary prior to the fulfillment of his program. The foundation plan also meets with the requirements of corporations that wish to provide sinking funds in anticipation of future business requirements such as depreciation, replacement of equipment due to obsolescence, etc. It is qualified to operate in 21 states and is meeting with great success.

Mr. Donahue was formerly vice-president of the old Republic Casualty of Pittsburgh in charge of production and later occupied a similar position with the Independence Indemnity. He was always well liked in the fraternity.

John L. Mee, for some years vice-president and superintendent of agencies for the National Surety, has served the foundation as vice-president in charge of New England for more than a year.

Regensburger to New Amsterdam

Martin Regensburger, for the past six years San Francisco city special agent for the Hartford Accident, has been appointed assistant manager of the New Amsterdam Casualty in San Francisco. Read Gibson is manager.

Present Coronation Movies

Those who attended the luncheon of the Insurance Advertising Conference in New York were given a special Friday treat, President Arthur Fiske announcing that through courtesy of former President Withe, the Aetna Casualty had arranged to present a special pathograph news reel containing coronation views. The reel contained close-ups of scenes in the Abbey, with actual sound effects recorded in London, and also showed the Coronation parades of King Edward VII and King George V. The film will be shown by the Aetna Casualty throughout the country in the Aetna "safety special," which is equipped for sound movies projection, and in the large safety demonstrations now being presented by leading department stores.

CASUALTY PERSONALS

W. C. McInerney, the oldest employee in the claim department of the New Amsterdam Casualty at Chicago, who had been connected with the company for 16 years, died suddenly at his home at 6741 Chappell avenue in that city Saturday night. He had been in failing health for some weeks but was at the office almost every day and was at his desk Friday. He had charge of the burglary, plate glass, accident and health adjustments.

A. D. Cockey, manager of the contract bond department of the Maryland Casualty, while on his first trip to the Pacific Coast visited the Boulder dam, the All-American canal and the aqueduct, accompanied by T. W. Michels, Los Angeles manager, who met him at Tucson.

Frank Tallmadge of Columbus, O., a pioneer casualty and surety man in the state, who died last week, was 83 years of age. He was interested in archeology and was a celebrated horseman. In 1889 he became claim adjuster for city and interurban electric companies. Later he opened an insurance

agency and became general agent of the Employers Liability and the U. S. Fidelity & Guaranty at Columbus.

R. A. Algire, vice-president National Surety and a former Kansan attended the annual convention of the Kansas Bankers Association in Wichita.

Oregon Premium Writings for 1936 Are Reported

SALEM, ORE., May 26.—Net premiums by companies writing casualty, disability and miscellaneous classes in Oregon in 1936 aggregated \$6,393,292, losses paid \$2,684,997; accident \$833,213, losses paid \$491,617; health premiums \$713,316, losses \$275,731; fidelity and surety premiums \$661,029, losses \$57,126; plate glass premiums \$53,797, losses \$22,034; burglary and theft premiums \$182,274; losses \$35,213; steam boiler, premiums \$97,694; auto property damage premiums \$708,453, losses \$243,303; auto collision premiums \$250,006, losses \$174,343; workmen's compensation pre-

miums \$258,894, losses \$107,466; miscellaneous premiums \$191,914, losses \$45,349.

Maryland Casualty Cup Awarded

Safety engineers of the Maryland Casualty in Connecticut were awarded the accident reduction cup for 1936 by Holger Jensen, manager of the engineering division. The cup is a personal award made annually by Mr. Jensen to the engineering staff achieving the highest average of accident prevention.

The winning average, made by W. J. Williams and C. E. Dimling, was 104.3 points. The Indianapolis office (A. Rasmuson) was second with 102.2 points. Detroit (W. H. Burton and C. F. Geisz) followed with 100.5 points.

Dr. Stack to Visit Coast

SAN FRANCISCO, May 26.—To stimulate educational activities along public safety lines and to renew interest in certain sections of the state, Dr. H. J. Stack, educational director National Bureau of Casualty & Surety Underwriters, will visit California early in June. He will speak at the major colleges, present exhibits and demonstrations, and address various safety organizations.

The steady, sound growth of this
Company reflects the confidence
and satisfaction of its increasing
number of policyholders and agents.

BANKERS INDEMNITY INSURANCE COMPANY

Newark, New Jersey

Casualty Affiliate of The American Group

Pink Gives Ideas on Auto Liability

(CONTINUED FROM PAGE 35)

trary to demands for cheaper insurance, Mr. Pink said.

Any compulsory plan must have some form of merit rating. The superintendent said he realized that merit rating as it has been tried so far has not been workable, degenerating into rebating and other unfair competition. However, the fault is with the operation plan and not the theory, Mr. Pink citing one company which has operated under a retrospective rating system. There is 10 percent rebate at the end of two years, if there has been no claim, the regular premium being charged when the policy is issued. Further inducements are given as the insurance is renewed.

Mr. Pink said that J. J. Magrath, New York department rating expert, believes the most practicable theory is giving demerits through increased cost of carelessness assured. Possibly a plan combining both merits and demerits will be in future use.

Mr. Pink dwelt at considerable length on the danger of the compulsory insurance idea. Inevitably sound underwriting practices are abrogated, since a driver who has refused a policy promptly appeals to the state board, composed of politicians, which just as promptly orders a company to cover him. The companies do not refuse this business originally because they don't want the premium money, but only because the driver's record is such that they know they will lose money on his contract. If the compulsory insurance idea cannot be resisted, the setup should refer undesirable drivers to a state fund and not compel the companies to bear the burden.

Guest Coverage Evils

Compulsory coverage of guests is also an evil, Superintendent Pink said. Tremendous abuses from friends and relatives being in collusion with motorists creep in.

The deductible clause in liability coverage is desirable both from the social and business standpoint, Mr. Pink believes. If the policyholder has to stand part of the liability out of his own pocketbook, he will be more careful, and this coupled with merit and demerit rating would discourage reckless driving.

Mr. Pink said it is absurd to insure the automobile instead of the driver, and yet that is what is done. The occasional and unskilled driver could not afford to take out insurance and would concentrate automobile operation in the hands of steady experienced people. Cost of such a policy would be about 25 percent below one which insured the car and would discourage multiplicity of drivers, as in a large family. The hazards could be better rated according to the risk through this system.

Deploing the defeatist "pay as we kill" attitude taken by proponents of various compulsory insurance and accident compensation plans, Mr. Goodale

called for a vigorous renewal of highway safety efforts and openly advocated use of speed governors.

"We need strong and impartial law enforcement, safety education of adults as well as in the schools, removal of the political fixer, more tolerance and less haste in driving, the construction of safe and sound highways, more stringent physical and mental standards in the examination of drivers, and use of speed governors and other mechanical safety devices on the automobiles themselves."

The question of indemnification will continue for a long time, he pointed out, for no matter what is done from a safety standpoint it is too much to expect that all street and highway accidents will be stopped. Remedies proposed thus far, he added, present many problems and much work remains to be done by insurance companies before the right answer is found.

"One way of advancing," he said, "is to establish special commissions for the study of the many aspects of compulsory automobile insurance and the automobile accident compensation plan. Such commissions would be composed of representatives of the public, the legal and medical profession, the legislature, state motor vehicle and insurance departments, insurance companies and other experts."

"All members of such commissions should approach the subject with an open mind, ready to draw lessons from the past but determined to go forward. If we all join forces in strenuous efforts to reduce accidents and wholeheartedly unite in trying to develop a fair, logical and reasonable indemnification plan, we will render a real service to humanity."

R. H. Blanchard, Columbia University professor, also discussed automobile accident indemnity. He agreed that prevention of automobile accidents should have first attention with strong, impartial law enforcement as the principal means. Education and safety campaigns will not reach the thoughtless driver as well as the arm of the law.

However, there will always be some accidents, and the cost of these, counting every item, should be figured carefully. In computing losses due to automobile accidents, the victim's loss of income, expense for medical or surgical care, time spent by plaintiff in attempting to collect damages, time spent by dependents in attempting to avoid damage payment, lawyers' fees, witnesses' time and fees, maintenance of courts and other public agencies including police, and cost of fraud and its suppression. An accurate statement of these would be staggering, Mr. Blanchard said, but many of them will always remain hidden but nevertheless in existence.

Prevention and compensation are complementary terms and not in opposition, he stated. While economies in the cost of individual insurance will not be

as great an incentive to accident prevention as economies in workmen's compensation, they will have some effect.

While the accident compensation plan has some merits, it is not possible to know what it is going to cost until it has been in force for some time, despite careful research. Financial responsibility laws merely stave off more drastic legislation, he declared.

Tells of O. D. at Pinehurst Meet

(CONTINUED FROM PAGE 35)

workers. It may be that all such examinations should be placed under the supervision of the state department of health and that examination be made by qualified physicians working under the department, since the general practitioner or the so-called plant doctor does not always have the specialized knowledge or the proper apparatus necessary for such examinations. Workmen will have to be convinced that when silicosis is found in a non-disabling but dangerous degree, their interests will be protected without prejudice by transfer to a non-dusty operation, and that discharge will under no circumstances be considered.

Danger from Other Disease

There are of course other occupational diseases, such as lead poisoning, and illness caused by arsenic, mercury, chromium, benzol, wood alcohol, aniline, ashes, alkalis and chemicals of various sorts. In addition, there are any number of diseases of ordinary life which are not thought of in terms of occupational diseases, yet no one can say when medical testimony may be introduced with the idea of connecting such a condition to the employment.

"I believe most everyone will agree that workmen suffering from diseases directly and fairly chargeable to industry should be compensated by the industry," said Mr. Randall. "There is, however, a great difference in the rule of liability and the burden imposed upon industry in certain instances. Any law upon the subject should be fair, livable and insurable, based upon proper principles. Any wide open law of the all inclusive type will prove unendurable. Any all inclusive law defining a disease as one arising out of and in the course of employment cannot last. The schedule method with fair and proper limitations and restrictions seems to be the best thought thus far. There should be an unambiguous definition of what constitutes an occupational disease. The effort which has been made to define it as a disease arising out of and in the course of employment is unsatisfactory and will only create an untold amount of unnecessary litigation, inasmuch as it would carry with it the burden of diseases of ordinary life. A definition that the disease shall be one arising from conditions characteristic of and peculiar to the employment is preferable as it

at least attempts to associate it with the employment. There should be a fair and proper definition of what constitutes disablement and disability. There should be fair and proper limitations on the progressive diseases, and the time in which notice must be given and claim filed."

Separation Is Desirable

Separation of the occupational disease act from the occupational accident act was urged by Mr. Randall because the questions are so vastly different, but whatever the legislation may be, he said, it should be intelligent, certain in terms, readily understandable, with proper safeguard against all ready incurred liabilities and should be based upon the ability of industry to carry the increased burden.

Obviously, the most important point in all the discussion is how best to prevent occupational diseases, Mr. Randall declared. He described the mechanical methods followed by the Travelers, the examinations of employees, with recommendations of transfer to other work, etc. "We feel during the course of the last few years that we have contributed toward the longevity of a good many workmen, now living, who might otherwise be further impaired in health by continuance in the exposure in which they were found when our inspection was made," he said. The Travelers' plan of control necessitates the closest cooperation on the part of the employer, and without such cooperation it is absolutely impossible to insure occupational diseases and the Travelers, at least, will not attempt it, he declared.

System of Compensation for Auto Victims Is Advanced

(CONTINUED FROM PAGE 35)

plan should follow the New York compensation act.

Mr. Ballantine expressed the belief that such a plan would not contravene the federal constitution. Some changes in state constitutions might be required. In New York, for instance, there is provision forbidding any limitation on the right to recover for wrongfully caused death.

"The horse and buggy method in operation today often results in needless distress and in frustrated lives," he asserted. "It involves large waste and casts a heavy burden upon relief agencies, hospitals and the public. It clogs the courts and delays administration of justice."

Will Require More Qualification

SAN FRANCISCO, May 26.—Indications are legislation designed to increase the fees of agents and brokers, require more rigid qualification and change of the bond required from brokers to fidelity bond, will be enacted this week with the united support of agents and brokers.

1916

1937

Illinois Casualty Company

SPRINGFIELD

AUTOMOBILE INSURANCE

Always Under Same Management

J. L. PICKERING, President

P. W. PICKERING, Sec.-Treas.

Illinois Iowa Indiana Missouri

F. L. Greeno Gives Forceful Advice to Home Office Men

(CONTINUED FROM PAGE 37)

ture of the profit system. He would fight his enemies to the last ditch. He would support an insurance publication which would present an attractive appearance together with the truth about stock insurance. He would see that its circulation included the same readers as are now getting a distorted view of the subject.

Should Consult Agents

He would refuse to be swept off his feet by clever proposals to sign on the dotted line some agreement affecting agents without first ascertaining the views of these representatives. He would carry the same friendly and sincere attitude which should characterize his relations with his agents individually into the conference room where other company executives are present. He would abolish branch offices wherever possible, both because of the expense and because they cannot possibly supplant the agent as the personal representative of the company to the assured. He would abandon fleets except in those instances where it might be necessary to operate a separate company in a foreign state or country to meet the conditions and comply with the laws of such territory. He would not require his field men to serve a half a dozen or more masters.

Would Protest Against Concentration

He would protest and fight against any and all concentration of insurance in the hands of a few companies or groups. He would resist this trend toward concentration with all his energy. He would not worship the sacred cow of big business. He would not waste his breath in pious phrases of concern for the public. It goes without saying that the policyholders' interests are paramount. He would not adopt or

publish silly slogans. They are offensive to good taste and serve no genuine purpose. He would not cling to antiquated notions or be a slave to outworn traditions. He would advocate and strive to accomplish the abolishment or reduction in number of some of the many organizations, rating bureaus, conferences and commissions. He would demand of rating bureaus that they consider the probable effect of the adoption of new rate schedules. He would oppose setting up a dictatorship, corporate or individual, in the insurance business.

Reports Gain in Premiums

The Lumbermen's Mutual Casualty reports premiums written during the first three months \$8,122,520 as compared with \$6,576,131 during the same period in 1936, an increase of \$1,546,389.46.

In commenting on the current business President J. S. Kemper said: "Our most pressing problem in the automobile insurance field is the automobile accident situation and the tendency toward increased claim costs as the result of improper commercialization of accidents. This trend if continued must inevitably increase the cost of insurance."

"The increased interest of automobile manufacturers in safety rather than speed is reassuring. It is to be hoped that this interest will be maintained and will extend itself to the very important factor of car design from the standpoint of road visibility as well as to mechanical control of automobiles."

Dillard Hall Will Speak

Agents regional meetings conducted by Manager H. B. Hupp, Cincinnati U. S. Fidelity & Guaranty, will be held at Dayton June 2 and Chillicothe, O., June 4. J. Dillard Hall, assistant director of agents, will be the featured speaker.

Detroit President



EARL B. BRINK

Earl B. Brink, Michigan state manager of the Mutual Benefit Health & Accident, has been elected president of the Detroit Accident & Health Association, succeeding Roy J. Long, Great Northern Life. He has been vice-president the past year. Glenn E. Reitzell, secretary for the past year, has become vice-president, and Forrest Heath, General Accident, is elected secretary-treasurer.

Seeks to Get Off Risk

Cancellation from its inception of a blanket automobile policy issued Feb. 1 to Bradford Shinkle, Jr., and 29 others is sought by General Accident in a suit

filed in federal court at St. Louis. The defendants are Shinkle and the officers and employees of the Johnson-Stephens & Shinkle Shoe Company.

General Accident alleges it was misled into issuing the policy. It states it was not informed that a previous contract issued to Shinkle by American Automobile had been canceled during the previous year. It avers that no premiums had been paid for the policy. Shinkle has been in two serious automobile accidents. On Feb. 25 a city employee was killed and another seriously injured when their automobile was struck by a machine driven by Shinkle. Two damage suits totaling \$85,000 have developed from that accident but General Accident has declined to defend.

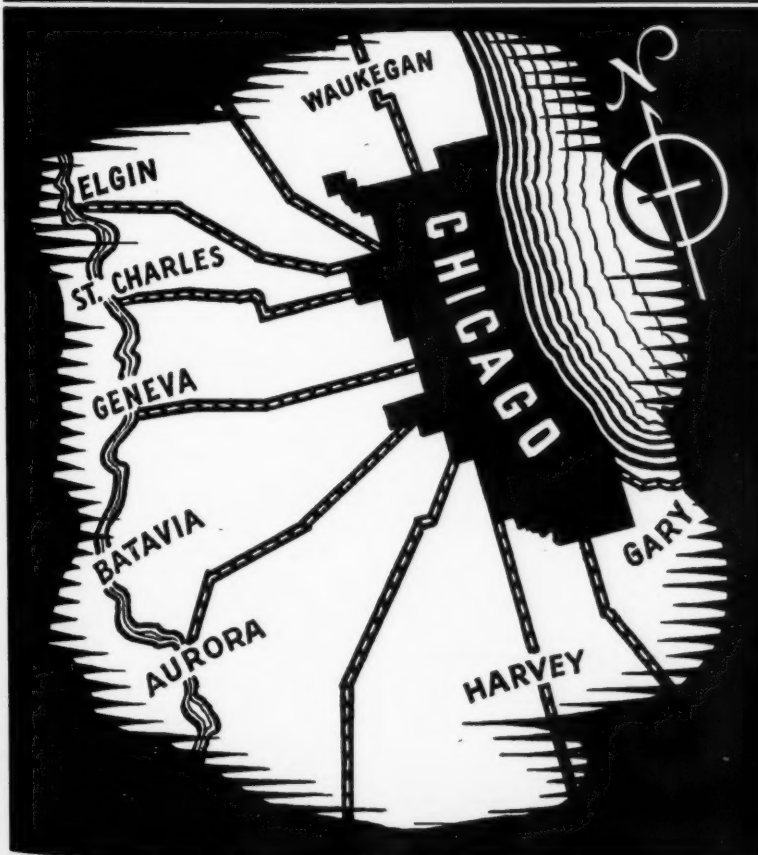
Bradford Shinkle, whose son, Bradford, Jr., aged 24, is facing charges of manslaughter and felonious wounding that grew out of an automobile accident Feb. 25 in which one man was killed and another seriously injured, has filed a suit in the circuit court against the Potomac. The petition asks the court to hold the insurer liable for \$490 damages to the Shinkle automobile in the fatal collision with a city owned car.

The elder Shinkle, who is vice-president of the Johnson, Stephens & Shinkle Shoe Company, charges that the automobile was one of a fleet insured by the Potomac under a comprehensive policy issued Feb. 1. Potomac is an affiliate of General Accident.

Cars driven by young Shinkle have figured in two serious accidents in the past year.

Open with Accident—Sell your prospect an accident policy to get acquainted and pave the way to other sales. For sales suggestions read *The Accident & Health Review*, A-1946 Insurance Exchange, Chicago. Sample copy 10 cents.

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ACCIDENT AND HEALTH

Lydon Is Chosen Chairman

New Head of the Bureau of Personal Accident & Health Underwriters with the Ocean

John F. Lydon, manager, accident and health department, Ocean Accident, was named chairman of the governing committee of the Bureau of Personal Accident & Health Underwriters at its annual meeting at Rye, N. Y. Members of the committee are the Aetna Life, Connecticut General, Employers' Liability, General Accident, Globe Indemnity, Hartford Accident, Maryland Casualty, Standard Accident, Travelers and the United States Casualty. W. Franklin White, Royal Indemnity, is chairman

of the auditing committee and E. H. O'Connor, assistant secretary, U. S. Casualty, is the national councillor-delegate.

Attendance at the annual meeting numbered about 70, equaling that of the largest convention in the bureau's history.

Athlete's Accident Cover Is Being Written by World

The World Insurance Company of Omaha has had considerable success in the specialized field of income protection, especially in writing a contract on high school and college athletes. This contract covers all injuries sustained by the athlete while participating in, prac-

ticing or training for games at instigation and under direction of coaches or managers of teams, and during transportation to and from games in vehicles furnished by the school.

It pays for reduction of fractures, dislocation, x-ray or dental work and treatment therefor, according to a schedule, and will pay \$250 in lieu of all other benefits if death occurs within 30 days of date of injury. The premium charge is scaled according to the number of athletes insured, the maximum cost per athlete for all sports covering for a period of 12 months from date of issue being \$4. The World is now 34 years old. It just recently moved into a new location in the Baird building at Omaha, occupying the entire third floor.

Decatur Meeting Held

Over 50 agents attended the Illinois Mutual Casualty's district meeting at Decatur, Ill. At the business meeting Thomas Fish, Jr., special agent at Taylorville, called the session to order. John S. Nuckolls of the Smith-Nuckolls agency at Decatur welcomed the guests and President E. A. McCord responded. R. B. Rutherford, Decatur, discussed "Solicitation" and Miss G. P. Edwards, secretary, spoke on "Accident and Health Insurance for Women."

C. C. Inman, vice-president and agency director, discussed "Planning Your Work." H. A. Herron, Shelbyville, Ill., talked on "What Can Be Done to Help Agents," and D. T. McKellar of Vandalia spoke on "Collection of Premiums." E. B. Forsythe of the home office told "How Underwriting Affects Claims," and R. A. Newell, Ashland, Ill., an app-a-week producer for 69 weeks, told how he used that plan to build his agency.

President McCord gave the closing talk, outlining the company's plans for the future and urging agents to take advantage of the opportunity for increased sales.

Federal Investigation

Federal investigation of fraudulent accident claims against insurance companies became public last week with charges against four men of using the mails to defraud. The four are alleged to be heads of a syndicate which it is believed spread throughout the country. Those named are Dr. Hirsch L. Messman, Elias Garrow and Joseph Garrow, attorneys, and Cyrus P. Gordon, described as "conservator" for an insurance company the identity of which was withheld. Eleven others were caught and further arrests to total at least 100 are to come, it is declared.

It is charged that claimants were doped like race horses in the enactment of the swindles. Disability was simulated so perfectly that experts were unable to detect fraud. The annual frauds are estimated as high as \$25,000,000.

New York Club Outing

The Accident & Health Club of New York will hold its fifth annual outing June 19 at Schmidts Farm near Scarsdale in Westchester county. C. deRoy Clark, Hooper-Holmes Bureau, is chairman of the outing committee. J. R. Garrett, National Accident, will have charge of the golf tournament which will be played at Grassy Sprain Golf Club. There will be a baseball game between picked teams of underwriters from the Metropolitan Life, New York Life, and Equitable Life of New York disability divisions against underwriters from William St. H. A. Usher, Aetna Life, will be the toastmaster at the dinner.

Reviews Economic Trends

At the May meeting of the Accident & Health Managers Club of Los Angeles, R. F. Yambert spoke on "Facing Tomorrow." He gave a brief outline of the trend of general business conditions for each of the past 10 years, beginning with 1927, and forecast another depression later on. The question of membership in the National Accident & Health Association was discussed.

Five Speakers Lined Up for National Association Clinic

Five speakers have been lined up for the sales clinic to be held the first day at the National Accident & Health Association's convention in Milwaukee, June 3-4. George L. Dyer, Jr., St. Louis manager of the Columbian National Life, will discuss "New Methods of Merchandising Accident and Health Insurance." Rey J. Long, Michigan manager of the Great Northern Life, will talk on "Obligations of an Accident and Health Adviser." W. B. Cornett, field director of the Loyal Protective, will discuss "Closing the Sale." W. C. Rhodes, Wisconsin manager of the Business Men's Assurance, will tell of the relation between accident and health and life insurance. L. N. Roach, Continental Casualty, Cleveland, president of the Cleveland association, will talk on "How to Avoid Lapses." A. D. Anderson, Continental Casualty, Chicago, first vice-president of the National association, who is in charge of the clinic, hopes to have several more speakers at the session.

Cloyde Whitely, Milwaukee, associate Wisconsin branch manager, Travelers, will speak at the sales clinic on "Presentation of the Policy."

Regular Session

At the regular session Arthur Holzman, vice-president Colorado Life, Denver, second vice-president of the association, will speak on "The Past, Present and Future of Accident and Health Insurance."

"The Advantages in Selling the Monthly Payment Plan" will be discussed by Lyle Tuchscher, general agent, Time, Marshfield, Wis.; "Relation Between Accident & Health and Life Insurance," by Mr. Rhodes. An inspirational address, "Enthusiasm for Your Job," will be given by Gifford Vermillion, Milwaukee, Wisconsin state agent for the Mutual Life of New York, and one, "The Right to Be Cocky," by J. M. Gantz, general agent Pacific Mutual Life, Cincinnati.

Phil Grau, Milwaukee insurance broker and lecturer, will welcome the visitors. M. J. Cleary, president Northwestern Mutual Life, will be the luncheon speaker.

Baxter Succeeds Nugent

W. K. Nugent is retiring as manager of the Continental Casualty accident and health claim department in New York City. W. I. Baxter, formerly New York claim manager Union Indemnity, succeeds him.

Retiring Manager Nugent was the guest at a luncheon given by Charles Bellinger of W. L. Perrin & Son, commercial accident and health general agents Continental Casualty in New York. Claim department personnel and Continental general agents attended.

Hold St. Paul Meeting

G. C. Jewett, F. E. Toal and J. W. Hughes, vice-presidents of the Farmers Automobile Interinsurance Exchange, Los Angeles, attended a meeting of agents in St. Paul. A. W. Johnson and R. Chrisman of the Kansas City office also were present.

Athens, O., Taxi Requirements

The city council at Athens, O., has adopted an ordinance requiring each taxicab operating in the city to carry \$10,000 liability insurance. Each cab also must pay a \$5 fee and the driver must have a license, which will cost him \$3 a year.

H. L. Puckett, 58, former Dallas manager National Surety, died there of a heart attack. He had lived in Dallas 35 years and had been in the business 30 years. He was with the Aetna Fire at one time. Since his retirement he had engaged in ranching.



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Reserve for Losses	3,916,522.75
All Other Liabilities	1,882,235.22
TOTAL ASSETS	13,421,895.71

NOTE: Securities carried at \$336,887.50 in the above statement are deposited as required by law.

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MR. BLOSSOM'S LIFE MEDITATIONS

(CONTINUED FROM PAGE 4)

company. The Mindakowis Tribe, so to speak, was welcoming him to the city. Mr. Blossom was a guest representing Iowa as Mr. Higley had sprung from Cedar Rapids.

J. J. McDonald, manager of the Continental, presided at the function. In introducing Mr. Blossom, I recall very vividly the delineation of his character. Mr. McDonald asserted that Mr. Blossom could not be called a genius. He was not a promoter, he was not dramatic nor spectacular, he did not try to do a brilliant thing one day and then suspend operations for three or four days. Mr. Blossom, he said, traveled along the road step by step, dispatching the duties that came to him every day, being greatly interested in his work. In a way he might be called a plodder in the noblest sense of that word. That is, he was continuously and constructively industrious.

Worked on Sundays

When Mr. Blossom was connected with the western department of the German American he worked many Sundays and Judge Cary was not aware of it. He did this in a natural way. He was interested in what he was doing, he wanted his work gotten out of the way in good order and he desired to have nothing accumulate. As Mr. McDonald portrayed the essential traits in Mr. Blossom's character, it seemed to me that I could learn a very valuable lesson from this hard working, systematic, quiet man who accomplished much just by his day-to-day efforts.

Another incident that profoundly impressed me as a young man was Mr. Blossom's telling me at one time about his experience with one of the western managers on the golf links. Mr. Blossom, by the way, was the crack golfer of the managerial fraternity in his time. His sons, George W., Jr., and Francis R., are topnotchers in the same pastime today but they cannot eclipse the record of their father in the golden 90's. The manager who was playing with Mr. Blossom made a dub shot, instantly became enraged and hurled his club as far as he could. He stamped the ground, swore and made a sorry spectacle of himself.

Preached an Excellent Sermon

Mr. Blossom stood before him, told him to cool off and said to him that a man who could not control himself on the golf links was not the master of himself at work, at home or anywhere else. He preached a sermon on personal control. He told him how important it was not to allow one's passions to subdue and crush the finer elements in one's character. I often recalled Mr. Blossom's recital of this episode and as time went on, whenever I happened to be impulsive and became angry I thought of Mr. Blossom's timely counsel.

One other event of interest in which I had a part was at the time when Mr. Blossom asked me if I could recommend a young man for special agent of the National in Illinois to assist H. F. Espenscheid, now a local agent at Danville, Ill., who was then state agent. D. E. Monroe had come to Chicago from Baltimore. The Illinois Surety had started. Mr. Monroe had been connected with the head office of the American Bonding at Baltimore and became superintendent of agents for the Illinois Surety. The Illinois Surety had to succumb and quit business. Mr. Monroe was out of a job. He did not know a thing about fire insurance. I went to Mr. Blossom, explained about Mr. Monroe, telling him that while he was ignorant of fire insurance in all its phases I knew that he would make him a very valuable man if he would just give him a chance.

Mr. Blossom looked at me very intently and said, "You know what the National Fire wants. We do not want any experiments. We need a man who is serious and who will grow into a

first-class field man. If you can vouch for this man in every way we will put him on. But if he fails, we will hold you partly responsible. Be careful about recommending people. Don't be moved by sentiment. If you know a person is worthy, support him but don't try to foist any one on your friends simply out of sympathy. It is a grave responsibility to back a man as you are in case of Mr. Monroe."

I hurriedly sought Mr. Monroe, told him that it was up to him to make good or I would be "in the dog house" with Mr. Blossom the rest of my life. I gave him an elementary book "Right to the Point," one used to give new agents a little primary insurance knowledge. Within a year's time Mr. Monroe knew as much about the Dean schedule as any man in Illinois. He became a topnotcher in field work, later was manager of the Union of Canton in Marsh & McLennan's office, then was vice-president of the American Central and is now assistant United States manager of the Commercial Union group. I have always been careful about recom-

mendations after Mr. Blossom's sage counsel.

G. W. Blossom, Jr., Presided

George W. Blossom, Jr., presided over the deliberations. A silent toast was drunk to the late President Milligan of the Connecticut Fire, the latter company being the oldest in the Fred S. James & Co. agency. Mr. Milligan had planned to attend and in a letter to G. W. Blossom, Jr., spoke enthusiastically over the anticipated visit. The banqueters also arose and drank a toast and tribute to W. E. Higbee, veteran member of the firm, who lives at Coconut Grove, Fla., and is in poor health. He, however, sent some delicious Hayden mangoes to supplement the other viands, sufficient for all at the banquet.

Letters and telegrams of greetings were read from President H. V. Smith, Home of New York; General Manager Norie Miller at the head office of the General Accident; Sir Edward Mountain and Hugh McNab, head office Eagle Star; Hendon Chubb of Chubb & Son, New York City; Fred M. Gund, western manager Crum & Forster; U. S. Manager J. A. Kelsey, Tokio; Executive Vice-president T. J. Grahame, Globe Indemnity; C. V. Meserole, head of the Pacific Fire group; President J. L. Parsons, Crum & Forster companies; D. F.


Cox of Appleton & Cox, New York City; President F. D. Layton, National of Hartford; President B. M. Culver, America Fore; J. I. Loeb and Allan Wolff of the Chicago agency of Klee, Rogers, Loeb & Wolff.

Picture of Old Dubuque Agency

W. H. Harrison of Des Moines, state agent of the National Fire of Hartford in Iowa, sent a photograph of a picture that hangs on the wall of the E. A. Fitz agency at Dubuque. This is an oil painting made in 1874, giving a glimpse of the Mississippi River at Dubuque. The picture represents an interior view of the old agency of Smith & Plaister with an imprint of the Aetna Fire coat of arms. This was the predecessor of the Fitz organization. Smith & Plaister were state agents of the Aetna Fire in Iowa. The photograph shows the losses paid in Dubuque and in Iowa. Mr. Blossom became connected with this firm as an office boy, he being the only employee.

Blossom's Early Chicago Days

One of the features of the banquet was a letter that C. R. Street, vice-president and general manager of the Great American, wrote to Mr. Blossom soon after the former took charge of the company in the west. In going over the

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records Mr. Street was interested to find Mr. Blossom's early connections with the then German American when Judge Eugene Cary was manager recorded. For instance, he went with the Great American in January, 1873, 19 years old, at a salary of \$40 a month. He was increased to \$50 a month in September and \$60 in December. In April 1874, his stipend was \$70 and in October, it was made \$80. Then, as Mr. Street put it in his letter, there was a jump in 1876 to \$100 with no intervening \$90. Among the names that Mr. Street found on the records of the Great American who were employees were J. S. Belden, later western manager London & Lancashire; W. W. Dudley, subsequently United States manager Manchester Fire and the first secretary of the governing committee of the old Western Union; Rogers Porter, who became assistant manager of the German American; J. M. Neuberger, who later became manager of the Atlas; J. O. Wilson, later manager of the Star of New York; W. B. Leach, compact manager at Cedar Rapids, Ia. and father of W. C. Leach, now secretary Minneapolis F. & M., and Milton Welsh, later adjuster at Kannas City.

Mr. Street also called attention to the fact that the Great American department bought a ton of coal at a time in 1875 at a cost of \$7 a ton.

Carl Sturhahn, president of the Rosalia, paid high tribute to Mr. Blossom and presented him with a set of golf clubs.

Commonwealth Mutual Probe in Boston Still Sensation

(CONTINUED FROM PAGE 37)

since 1930 to get laws enacted to give the commissioners more authority. He continued on the stand.

Katherine O'Leary, chief examiner Massachusetts department, testified that the company never should have been granted a license; it did not have adequate paid-in subscriptions at the outset and it violated the law in having liabilities other than those essential to organization expenses.

Founders borrowed money on notes to buy \$25,000 government bonds, which were used three different ways, as security against return of premiums if the mutual did not start, as security against "rubber" checks for \$22,000 supposed to be part payment of the \$100,000 initial premiums, and finally as a guarantee capital, she testified. The note drawn to purchase the bonds was never reported to the commissioner, she said.

Miss O'Leary, who with 12 assistants was placed in the mutual's office Sept. 23 to examine it, found impairment \$165,000 Aug. 31, and deficit about \$140,000. A second report as of Oct. 31, showed guaranteed capital impaired \$188,000 and a final report as of Dec. 14 when a receiver took charge showed impairment \$160,000.

Found Large Impairment

Miss O'Leary testified she reported her findings daily to the commissioner, and she said he did nothing about it.

She testified the first information she had that Frank Cohen of New York was back of the mutual was Sept. 25, two days after she started examination, when she found checks signed by Cohen. She said she told DeCelles about Cohen two years ago when he took office. The department, she said, had had trouble with companies in which Cohen was interested.

Books in Bad Condition

The chief examiner found no unearned premium had been set up against \$400,000 of claims, she stated, and it was her opinion the mutual was insolvent.

Books were in deplorable state and claims carelessly handled or not in evidence at all and reserves excessively low. The claim department was in con-

fusion. She raised existing reserves on claims from \$150,000 to \$250,000.

J. F. McAuliffe, department examiner, stated he was put in the office Oct. 12 in control of disbursements. McAuliffe found conditions much like those during a "run on a bank," with 50 to 75 lawyers milling around, seeking settlement of claims.

Seeks California License

The Arex Indemnity of New York has applied for a California license.

Applies for California License

The Pacific Automobile of Los Angeles has applied for California license.

Miss Dorothy Steiner, daughter of W. W. Steiner, Chicago manager of the U. S. Casualty, and Mrs. Steiner, will be married Saturday evening at the Georgian hotel in Evanston, Ill., to R. W. Collett of Oak Park, Ill. The bride's sister, Miss Marjory Steiner, will be maid of honor. Both the young people attended college at the University of Illinois. They will go on their honeymoon by motor in the south.

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POINTERS FOR LOCAL AGENTS

Suggestions for Building Profitable Agency

By J. C. HEYER

Mr. Hoyer, vice-president of Commercial Casualty and Metropolitan Casualty, who is much interested in helping agents to become more effective operators, herewith presents some ideas on building a profitable agency.

Many chapters have been penned on the subject of building a profitable agency for the purpose of aiding those eager to improve their position in the insurance agency business.

Few engaged in the insurance agency business realize fully the production and management possibilities contained in these articles because of their failure to apply the acid test.

It, of course, must be admitted that several methods of building a profitable agency have been successful. Therefore, it is only fair to give due credit to each successful system and then adopt a program best suited for one of your qualifications from all.

Confidence in Business

Individuals that do not have complete confidence in our great business or in other words, those that do not believe at heart in all its principles should never approach agency building because failure is certain to result. Therefore, my comment is directed only to those that truly believe in the soundness of the business as well as the great need for insurance protection.

With this understanding, I will attempt to offer suggestions on building a profitable agency that have brought a full measure of success.

Here is the greatest asset of all and I feel confident the majority will freely admit that knowledge is power.

It stands to reason that no agent can go far unless he or she is definitely qualified to serve the company as representative and the public as advisor to the end of rendering a real service to both. Such capacity not only requires but demands knowledge, the first principle of the business, so do not kid yourself that future is in the making unless you are willing to develop this outstanding fitness.

Hit and Miss Plan

Many seem to have gained the impression that goal is attainable by the hit and miss plan or by simply knowing that such coverages as are written by companies are available. These so-called agents fall one by one and as a result of their inability adequately to provide insurance protection in favor of those contacted create considerable sales resistance in the minds of the public for the real agent to overcome.

Knowledge is the only key, so accept it as final and start your building with full determination that construction is out of the question without this specification. Sell yourself that you know the insurance business and then open up with a left jab followed by a right uppercut on the public.

Business success worthy of recognition was never realized by any individual without planning and I feel quite satisfied that all will accept this statement as undebatable.

No plan is perfect at inception and no uniform plan is the ideal one for all types of agents. Therefore, it becomes your problem to take stock and con-

struct one that will develop the greatest good from your personal abilities. Such a plan will never be faultless because as experience is gained, you will find modification necessary.

Next to knowledge I consider plan of importance.

Selection is entirely within the power of the individual and the only suggestion I offer as to adoption is that you include such requirements as work and a schedule that is certain to make possible interviews.

Many fail because they over-shoot their ability on the firing line—so be fair and fit your plan completely within measurements.

After acquiring knowledge and construction of plan we are ready for work.

This old saying is certainly one worth mention, "Plan your work and work your plan" and with this proverb in mind, let's go to work.

Here we are ready for the occasion—"Building a Profitable Agency"—all set for action, overflowing with knowledge and satisfied that a career in this chosen field calls for work and plenty of it.

Our plan opens at 8:30 a. m., and by reason of its prospect file automatically places in our hands the names and addresses of 10 persons that can afford to buy insurance protection. These names are arranged so as to permit efficiency and each call resulting in an interview must carry conviction in our hearts that we know this business to the end of having the prospect select us as his insurance advisor.

Sounds easy—sure it does—and believe me it is, provided you know your

business and have absolute confidence in your qualifications.

Now then, this prospect file has been so perfected to work with you automatically and it is up to you to feed this file with names in order to produce ten prospects in hand each morning so as to enable you to head for the producing line at 8:30 a. m.

Knowledge, plan and work have been known to put many out in front even though they lack selling ability. However, selling qualifications, when blended with knowledge, plan and work, round out all factors essential in the building of a profitable agency.

Selling methods are numerous and the application of individuals should largely depend upon circumstances surrounding each interview. No set rule is applicable to all cases so hard-boiled experience educates and directs our sales program.

See the people—is the first principle in selling. Therefore, sell yourself that no success will be yours by waiting for the people to see you.

They Want to Buy

Selling many times results from approach and presentation and not from a sales talk—in other words, thousands want to buy, they resent being sold—so watch your step.

Selling is no art nor does it require super-ability as a salesman. Sales are greater when desire is created in the mind of the prospect, so learn how to create desire for your line of business.

Sales are most essential in the building of a profitable agency and some accomplish their purpose by specialty solicitation rather than by the solicitation of general insurance lines.

The survey system has proven of great advantage in many cases and this plan surely merits full investigation on the part of all eager to build.

Target lines, and by this term we mean large risks involving several thou-

sands of dollars in premiums, is a route that has caused many failures. Selection of this avenue demands special qualifications, and unless one enjoys connections that invite building approach by this means, it should be delayed until such connections are cultivated through a constructive selling plan of individual accounts that lead direct to the target premiums.

See the People

Observation over a period of many years has convinced me that the average person can make the grade provided he or she possesses determination and confidence.

See the people! A batting average in the big league of 300 is considered something worthy of mention and a recent survey of insurance selling methods informs us that approximately 30 percent of the buyers of fire and casualty insurance purchase protection because of the agent's knowledge of the insurance business.

SALES IDEAS OF THE WEEK

Boiler Cover Is Salable All Year Round

Contrary to the belief of some agents, boiler insurance is a cover that can be written the year round. Even though furnaces are shut off during warm months, hot water heaters in most buildings function 24 hours a day. In addition, boiler insurance covers not only heating and water storage apparatus, but fly wheels, electric motors, turbines and in fact all power machinery.

In spite of the large number of boiler policies issued each year and the inspection service that accompanies them, loss traceable to boiler and power plant explosion disasters reaches a tremendous figure annually. When a fly wheel or a boiler lets go, it destroys not only itself but wrecks everything in its path, and may cover a considerable distance and damage other people's property.

Inspection the Real Value

The boiler policy in addition to covering damage done to the boiler and adjacent property, takes care of the assured's liability for personal injury and property damage resulting from such an explosion. The most important point of the boiler insurance setup, however, is the inspection service. Each boiler covered is thoroughly gone over at regular intervals by trained engineers. It is this watchfulness that detects worn parts, flaws, faulty belts and valves that are not functioning properly. Many assured carry boiler cover more for the inspection service than for the actual insurance.

While other casualty and fire policies on the building and contents can give almost the same coverage as the boiler policy, they do not give this valuable inspection service.

Because of this, the assured whether he owns a small house or a large building should be covered especially by the boiler contract. The Hartford Steam Boiler, a pioneer in this field, writes about half of the business in the United States. There are about 15 other carriers who write, about five doing a considerable volume. It is preferable for the agent, if he finds a boiler prospect, to have a company boiler expert go with him to arrange details of the coverage, although the local man should also study the subject carefully.

National Bureau Revises the Liability Manual

The National Bureau of Casualty & Surety Underwriters has almost completely revised the manual of liability insurance, which covers all liability and property damage lines except automobile. No outstanding changes have been made, but there are a number of simplifications and rearrangements and a number of new classifications have been introduced.

One of the most important changes involves making provision for open air parking lots which are frequently maintained by businesses such as theaters, stores, hotels and the like, as a convenience for customers. Under the new rule, these lots, if on the same premises as the primary business and if no charge is made, may be included in the O. L. & T. policy at the frontage rate for the business. If not on the premises, or if a charge is made, the regular parking classification is to be used.

The rule regarding property damage liability limits for contractors and contractors' protective lines has been changed so that the aggregate limit applies to each project instead of to the policy period.

The new additional interests rule permits husband and wife to be made additional assured on all liability lines except golf, sports and teachers liability insurance.

Minimum premium for owners pro-

ductive liability has been reduced from \$20 to \$10. For teachers liability, the minimum premium is now \$5 for liability and \$2.50 for property damage. It was formerly \$10 for each hazard.

Commercial photographers are now rated on a payroll basis, while portrait photographers take an area and frontage rate. Automobile trailer camps are now included in the classification of automobile tourist camps. The motor boat liability schedule has been revised and rates reduced in the majority of cases.

Other new classifications include rodeos, coverage for real estate agencies on property listed but not otherwise controlled and laying, relaying and removing street railway tracks. The last classification has been introduced because many cities have substituted busses or trackless trolleys for street cars and the bureau has had many requests for a rate to cover track removal. In the owners and contractors protective liability section, a new classification has been set up for railroads, risks to be referred to the company for rating.

The residence, estate and farm section has been enlarged to permit the inclusion of liability for existence or maintenance of individual cemetery plots or vaults away from the premises. This coverage may be written by endorsement to the residence liability policy.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

O'Malley Cleared by House

Insurance Committee Inquiry Develops No Evidence of Fire Rate Case Improprieties

JEFFERSON CITY, MO., May 26.—Findings of the house insurance committee in its investigation of fire insurance rate litigation, the compromise settlement of 1935, handling of impounded funds and the allowances of fees and expenses in connection with the long litigation, sustained Superintendent O'Malley's participation in the case and confused his critics. There have been charges of a "white wash," but no one has produced information that there was anything improper about Mr. O'Malley's handling of the rate cases and compromise.

The committee report gave Superintendent O'Malley a clean bill of health. "There was no evidence presented before the committee which in the remotest degree points to any irregularity or corrupt motives or corrupt influences entering into the execution of the compromise agreement," the report said. "No witness was offered from any source nor was there any indication of any evidence from any source suggested to your committee which would point to such irregularities."

"From the record we are of the opinion that the state of Missouri obtained a fair settlement and that the benefits derived therefrom have been far reaching and of great benefit to the insuring public of Missouri."

Business Development Work for Summer Varies by States

Business Development work is getting under way in several Western Underwriter territory states during the early part of the summer, while the first leg of the program has been completed in others. Illinois, Kansas, Minnesota, North Dakota and Michigan are either through for the summer or are holding their last meetings.

These states will start the second part of the campaign next fall. All through this territory tentative plans have been made to interest farm writing people in the idea.

Reports to Legislature on Big Milwaukee Blast, Fire

MILWAUKEE, May 26.—Reporting on its investigation of the recent \$1,000,000 dust explosion and fire at the Charles Krause Milling Co., in Greenfield, just outside the Milwaukee city limits, the Wisconsin industrial commission told the legislature its investigators have been unable to find the cause of the blast but the investigation will be continued.

The report said the Krause company had built its plant and was operating in accordance with building codes and regulations. While some of the electrical equipment did not meet present code requirement, it had been properly installed at the time, and the company had a steady replacement program.

With reference to the lack of proper inspection, the commission called attention to the shortage of inspectors and the vast amount of work heaped upon an already overburdened staff. One deputy commissioner has some 650 plants in his district which should be inspected regularly. The deputy was able to make only 240 inspections, 200 reinspections

and 133 accident investigations in 1935, and in 1936 he made 161 inspections, 343 reinspections and 155 accident investigations.

Support of a legislative bill to give county sheriffs' departments authority to inspect industrial plants outside the city limits for fire and explosion hazards has been voted by the council committee. The measure provides that each municipality, village and town that does not provide inspection shall pay for inspections by the sheriff.

Illinois Fire College to Hear Notables June 15-18

Several notables are scheduled to speak at the 13th Fire College to be held at the University of Illinois June 15-18 under auspices of the Illinois Firemen's Association. Governor Horner and Insurance Director Palmer are on the program to extend greetings but Mr. Palmer, recuperating from an appendicitis operation, will be unable to attend. D. M. Ladd, special agent in charge Chicago office, federal bureau of investigation, will speak the first day on "Science as an Aid to the Investigating Officers," and State Fire Marshal S. V. Coultas on "What Executives Should Know about First Aid and Fire Prevention."

A. H. Gent, engineer Illinois Inspection Bureau, G. T. Cook, engineer National Board, and H. K. Rogers, fire prevention department Western Actuarial Bureau, Chicago, will talk the second morning. G. H. Anderson, assistant state fire marshal, is scheduled to talk June 17 and June 18 on flame-proof decorations.

Other Authorities on Program

Clarence Goldsmith, assistant chief engineer National Board, Chicago, will talk to the advanced class June 16, as will C. M. Jones, Underwriters Laboratories. Chief F. C. McAuliffe, Chicago fire insurance patrol, is to talk June 17 on "Salvage," and R. E. Dufour, assistant chemical engineer Underwriters Laboratories, June 18. Claude Bowden, inspector, Underwriters Laboratories, also will talk. R. E. Vernor, manager fire prevention department, Western Actuarial Bureau, will talk June 18.

R. W. Alsip, Champaign, is secretary, and L. H. Provine, Urbana, director of the fire college.

Detroit Dwelling Fire Rate Cut Demand Is Hit

At the meeting of the Detroit Association of Insurance Agents a talk was given by President Armstrong Crawford, Great Lakes Casualty, and there was discussion of the Detroit rate situation.

Robert Olp, Travelers Fire chairman fire prevention committee, reported Detroit has low fire rates on dwellings and they compared favorably with those of Boston, Chicago, Pittsburgh and other large cities. Also, in view of the fact that exposure charges have been removed and the inherent explosion clause has been included in the last ten years, he stated Mayor Couzens was not justified in asking for a 15 percent flat reduction in dwelling fire rates. If anything should be reduced, the dwelling supplemental contract rate which is 80 percent higher than that charged across the river, should be, he said.

Tom Griffen, surety committee, reported the unclassified schedule fidelity rates had been reduced about 9 percent.

Conducts Able Discussion on Farm Insurance Topics



R. W. FORSHAY, Anita, Ia.

R. W. Forshay of Anita, Ia., former president of the Iowa Association of Insurance Agents and chairman of the farm and rural insurance committee of the National Association of Insurance Agents, conducted a discussion at the mid-year meeting of the Illinois association at Springfield, Ill., on his pet topic of the problems of local agents in rural territory.

Irving Amberg discussed the new gas station, malicious mischief and waiver of fallen building clause forms.

Charles Erickson, Detroit Insurance Agency, told of the Wayne University insurance courses sponsored by the Detroit association.

Minnesota Agents to Meet on August 16-17 at Duluth

August 16 and 17 have been set as tentative dates for the annual meeting of the Minnesota Association of Insurance Agents at Duluth. The executive committee expects to meet early in June to make more definite arrangements.

Considerable attention will be given this year to automobile insurance and to this end William Leslie, New York City, an authority on the subject, has been scheduled as a speaker.

Michigan Bill Reported

LANSING, MICH., May 26.—The Michigan agents' qualification law has been reported by the senate insurance committee for floor action with a few minor amendments. The \$5 application fee for renewals is eliminated but the charge for new applicants is continued. Another amendment provides that the examination shall be "reasonable" and another brings life agents under the discretionary provisions of the proposed act, originally intended to affect only fire and casualty representatives.

Illinois Farm Agents Meeting

The annual meeting of the Illinois Farm Insurance Agents Association will be held at the Jefferson hotel in Peoria, June 10. O. G. Tradewell of Rantoul is secretary. Paul O. Johnson of Oregon was elected president but later entered field work. Mark Hall of Belvidere is vice-president. The main speaker will be L. G. Warder of Chicago, assistant

general agent of the Hartford Fire in charge of the farm department. An interesting program for farm agents has been prepared.

Legislative Work Praised

MINNEAPOLIS, May 26.—George W. Wells, Jr., and his nine co-workers of the legislative committee of the Insurance Federation of Minnesota were given a hearty vote of thanks by the directors at a meeting this week. Mr. Wells was given much personal credit for the successful handling of legislative matters at the recent session. He also will direct the strategy at the special session that opened this week.

Because of the special session the directors of the federation voted to postpone the annual meeting from June to early fall. The meeting probably will be held in Minneapolis.

Opens New Adjustment Service

The John J. Dunn Claims Service in the Jefferson building at Peoria, Ill., has added a department for the adjustment of fire and windstorm losses. W. S. Quinn is in charge of that particular work. He has had many years experience as an adjuster and appraiser.

Warns of Consumer Cooperatives

MANITOWOC, WIS., May 26.—Warning of the encroachment of consumer cooperatives on insurance business, at the monthly meeting of the Manitowoc Insurance Board, B. K. Olinger, Milwaukee, state agent Connecticut Fire, said such organizations do not serve the masses and steps must be taken to forestall this movement. Both stock and mutual insurance interests are now faced with competition from cooperatives which have and are seeking more unfair advantages over private, tax-paying businesses. There can be no reasonable objection to competition from any source if it is on the same basis with others in the same business, Mr. Olinger said. The principal objection is that consumer cooperatives have been granted tax and other exemptions and are even subsidized by governmental units to the disadvantage of other private business in the same line. The consumer cooperative movement, Mr. Olinger believes, is a common problem of all insurance companies and agents, both stock and mutual, agency as well as non-agency.

Women Hear Bond Talk

MINNEAPOLIS, May 26.—Harold R. Holker, Maryland Casualty, addressed the Minneapolis Insurance Women's Club on surety bonds. He told how surety bonds serve a real economic need today, and reviewed some bonding losses, citing specific cases, and methods used in running down defalcations.

At the June meeting, S. C. Aldridge, president Minnesota Association of Insurance Agents, will speak on "Consumer Cooperatives."

Racine County Agents Meet

RACINE, WIS., May 26.—Current underwriting problems in fire and casualty were discussed informally at the May meeting of the Racine County Insurance Underwriters Association. About 50 members from Racine and Burlington attended. The June meeting will be held at Brown Lake Country Club, June 7, with Burlington agents as hosts.

Elgin, Ill., Board Active

The local board of Elgin, Ill., is taking a new lease of life. Its second annual field day is to be held June 3. The previous evening there will be a meeting with some of the field men in an at-

tempt to reach an understanding as to type of representation that is desired in the city. Some of the leaders are advocating enforcement of a strict rule against board members representing any company that has an agent outside the board. However, others are counseling a more conservative course. Ed. F. Prideaux is president. Secretary D. V. Moody attended the mid-year meeting of the Illinois Association of Insurance Agents in Springfield.

Call Off Springfield Outing

The Springfield, Ill., Board of Fire & Casualty Underwriters has found it necessary indefinitely to postpone its field day that had been scheduled for June 16. The officers were not able to make a satisfactory arrangement with the country club management.

Celebrate Fourth Year

Between 35 and 40 field men connected with companies represented by the Tinkelpaugh & Lind agency of Kansas City, Kan., and agents and friends were guests of Harry Tinkelpaugh, president Kansas Association of Insurance Agents, and Clarence Lind, at Tinkelpaugh's lodge, Forest Lake, near Kansas City. The affair marked the agency's fourth anniversary. The insurance men played golf and indulged in other recreation.

Wichita Outing June 10

The Wichita Insurors will hold their annual picnic-outing June 10. Office employes and families are to be guests as usual. An attendance of 250 to 300 is expected. Howard Snyder, Lee Webb and Duane T. Stover will officiate.

Toledo Has Educational Forum

An educational forum was held by the Toledo Association of Insurance Agents Tuesday, with many agents from northwestern Ohio in attendance. Paul B. Shawen, president of the Toledo association, presided. G. W. Senn, J. C. Heidelberg and Frank Corns led the discussions.

Kansas Adjustment Expansion

George M. Montgomery, Wichita manager Western Adjustment, announces the addition to the Wichita staff of G. M. Lynch and M. R. Richards, both formerly of Kansas City. Edgar Durling, who was added to the Wichita staff two months ago, has been assigned

to the Hutchinson office, also under the direct supervision of Mr. Montgomery. The Wichita office now has five men in that city, three in Hutchinson and one in Dodge City. Separate offices in Kansas are also maintained at Topeka, Parsons and Salina.

Smoll Heads C. of C. Campaign

A. E. Smoll, former president of the Wichita Insurors, has been appointed chairman of the "Greater Wichita" campaign of the chamber of commerce, aimed to increase the income of the Wichita chamber one-third. Among the insurance men assisting as "sales managers" are L. W. Bauerle, Elmer Beezley, L. B. Brown, Clayton Mammel, Hobart Brady, Frank Houck and J. H. Jones.

Ohio Agents Seek Members

The Ohio Association of Insurance Agents this week put on a membership campaign in a large section of the state. Teams were sent out and it is believed that upwards of 100 new members will be added to the association's rolls as a result of the campaign.

Duerr Named Chairman

The Akron district of the Ohio Association of Insurance Agents at its meeting elected Carl Duerr, Canton, chairman, and C. B. Frinkley, Kent, secretary. John A. Lloyd, secretary Ohio Association of Insurance Agents, spoke, followed by a general discussion.

Mutuals Have Party

The Western Underwriters Mutual, the Western Millers Mutual Fire, and the United Adjustment & Inspection Company sponsored a two-day golf tournament and dinner at Kansas City last week for over 100 employes and representatives of 50 mutual companies and offices. This is the third year for the affair.

Active in Masonic Affairs

F. B. Harris of Harris, Burns & Co., now secretary of the Wichita Scottish Rite Masonic Consistory, conducted his first "reunion" last week since his appointment. A record class for recent years received the degrees. J. B. Patterson, Wichita attorney-adjuster and member of the Sunflower Blue Goose puddle, was elected president of the class. W. J. Bauerle, now of Columbus, O., for many years with Dulaney, Johnston & Priest in Wichita and prominent in local and state association affairs, is Master of Kadosh of the Wichita consistory and returns for every reunion.

E. C. Beezley, formerly associated with Mr. Bauerle in two different Wichita agencies, now operating independently, is "preceptor" of the Wichita consistory and an active worker.

Lloyd at Mansfield

John A. Lloyd, secretary of the Ohio Association of Insurance Agents, addressed the Mansfield Association of Insurance Agents.

Murphy Joins Bland

P. H. Murphy has resigned as mechanical engineer in the St. Louis water department to reenter the general insurance business as office manager for Bland & Co., St. Louis. Mr. Murphy formerly was secretary to Mayor B. F.

Dickmann. Prior to that he was in the insurance business for 17 years, part of that time being with W. H. Markham & Co.

Gallipolis Board Meets

Insurance agents from Gallia, Jackson, Vinton and Meigs county have been invited to attend the meeting of the Gallipolis, O., Board May 28.

E. S. Hill, Cairo Agent, Dies

Edward S. Hill of the Hill & Gore agency, Cairo, Ill., died at the age of 44. He had been ill since December. At one time he was trust officer of the Cairo bank. About a dozen field men attended the funeral.

IN THE SOUTHERN STATES

Virginia Association May Appoint Salaried Manager

When the Virginia Association of Insurance Agents holds its annual session in the Hotel Chamberlain, Old Point Comfort, June 25-26, the executive committee will recommend that a salaried manager be employed. The committee has arranged to underwrite the estimated cost of about \$10,000 a year.

The association has been considering the project for several years. At the annual meeting in Lynchburg last year the committee was directed to look into the matter and report this year. Decision to make the recommendation was made at a committee meeting in Richmond last week.

A number of other matters were also discussed. The convention program has been completed with the exception of social features. The two principal speakers will be E. M. Allen, executive vice-president National Surety, and W. H. Bennett, secretary National Association of Insurance Agents. A new secretary-treasurer of the Virginia Association will be elected to succeed the late F. S. Blanton of Farmville, who filled the office for many years.

Henderson Speaks in Houston

Thomas H. Henderson, Austin, member of the Texas fire prevention committee, addressed the Houston Insurance Exchange on "The Texas Standard Fire Insurance Policy."

Adjustment Office at Charleston

The Fire Companies Adjustment Bureau announces the opening of an office at Charleston, S. C., at 5 Exchange Place with J. J. Scott in charge. The office will be under the immediate supervision of the Columbia, S. C., office

of which H. M. Bray is manager. Williamsburg and Georgetown counties in South Carolina have been added to the Florence, S. C., office in the Florence Trust Company building. H. D. McCaskill being adjuster in charge. Mr. Scott has been operating as an independent adjuster in Charleston.

Florida Agents at New High

A. C. Eifler, secretary, announces membership in the Florida Insurance Agents Association of 451, an all time high, and raises Florida to near the top in the National association. With 425 Florida was eighth in standing in the parent body.

Florida agents will give full support to the resolution of the Southern Agents Conference to eliminate agency representation of both stock and mutual organizations.

Interest in Gainesville Case

Considerable interest is being taken in the litigation initiated by the Pruitt-Barrett Hardware Company of Gainesville, Ga. This concern is claiming a fire loss but the companies are contesting on the ground that it is a tornado claim and that they are only liable for such fire loss as occurred after the building blew

Functions in Denver



B. P. CARTER

B. P. Carter, prominent general agent of Richmond, Va., was one of the most popular conventioners at the annual meeting of the American Association of Insurance General Agents at Denver this week. Last year Mr. Carter was president and presided at the meeting in Little Rock despite the fact that he was in poor health. He is now chairman of the conference committee.

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Specializing in Insurance and Corporation matters.

HUGH M. FRAMPTON

327 Southern Building
Washington, D. C.

Manufacturers Casualty Ins. Co.
Equipped for investigations, adjustments, settlement of claims, fire, casualty, automobile, surety—trial of all insurance cases. Maryland, District of Columbia and Federal Courts.

FLORIDA

**MARKS, MARKS, HOLT,
GRAY & YATES**
1321 Graham Building
Jacksonville, Florida

Equipped for investigations, adjustments and trial of all insurance cases in Northern Florida.

MAGUIRE & VOORHIS

Florida Bank Building
Orlando, Florida

Representing the Aetna Group, American Surety, Fireman's Fund, New Amsterdam, National Surety, Standard Accident and many others.

Trial of all insurance cases in State and Federal Courts in this territory.

WATSON & PASCO & BROWN

American National Bank Building
Pensacola, Florida

United States Fidelity & Guaranty; Hartford; New Amsterdam; Sun; Lumbermen's Mutual; Mastin & Company.

WYLIE & WARREN

398-312 Hall Building
St. Petersburg, Florida

American Surety Company of N. Y., New York Casualty Company, Glens Falls Indemnity Co., Standard Accident & Insurance Co., Mass. Bonding & Ins. Co.

Equipped for investigations, adjustments and trial of insurance cases in State and Federal Courts.

McKAY, MacFARLAND, JACKSON & RAMSEY

Citrus Building
Tampa, Florida

Representing about thirty-five leading casualty and surety companies—names given on request.
Equipped for investigations, adjustments and trial of insurance cases in all courts.

EARNEST & LEWIS

706-10 Guaranty Building
West Palm Beach, Florida

American Surety Company of New York, Hartford Accident & Indemnity Company, Fireman's Fund Indemnity Company, United States Guaranty Company, and many others furnished on request.
Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases, State and Federal Courts, in Florida.

GEORGIA

BRYAN, MIDDLEBROOKS & CARTER

LAW OFFICES

924 Citizens & Southern National Bank Bldg.
Atlanta, Georgia

Equipped for investigations, adjustments, settlement of claims, and trial of all insurance cases in Georgia.

Hitch, Denmark & Lovett

17 Drayton Street
Savannah, Georgia

Representing American Surety Co. of N. Y., New York Cas. Co., Continental Cas. Co., National Surety Corp., and numerous others.
Equipped for investigations, adjustments, settlement of claims, and trial of all insurance cases in State and Federal Courts in Southern District of Georgia.

IDAHO

MARTIN & MARTIN

506-509 Idaho Building
Boise, Idaho

Fireman's Fund Insurance Company; Loyalty Group; Ohio Casualty Insurance Company and others.
Equipped for investigation, adjustments and settlement of all claims. Trial of all cases in State and Federal Courts in Southern Idaho.

IDAHO (Cont.)

CHAPMAN & CHAPMAN

Burkholder Building
Twin Falls, Idaho

General Group of Seattle, Hartford Accident & Indemnity and others on request.
Equipped for investigations and trial work in State and Federal Courts in south central Idaho.

ILLINOIS

CASSELS, POTTER & BENTLY

1060—The Rookery
Chicago

Clausen, Hirsh & Miller

Attorneys & Counselors
135 South La Salle Street
CHICAGO

Special Attention to the Law of
Fire Insurance and Taxation

LORD, LLOYD & BISSELL

Rm. 2460—135 South La Salle Street
Chicago, Illinois

Insurance defense—Casualty, Surety, Life & Fire Lines.

POPPENHUSEN, JOHNSTON, THOMPSON & RAYMOND

Eleven South La Salle Street
Chicago

Trial of Insurance cases—Casualty, Surety, Fire and Life — in all courts in northern Illinois.

CLARENCE W. HEYL

8th Floor Central National Bank Bldg.
Peoria, Illinois

Trial of Insurance cases: representing MARYLAND, FIDELITY & CASUALTY, ROYAL, GLOBE, EAGLE, BANKERS INDEMNITY AND OTHERS.

INDIANA

HENRY & FUNK

Investigations—Adjustments—Trial Work
References on Request
501-7—130 E. WASHINGTON BLVD.
INDIANAPOLIS

LUTZ AND JOHNSON

Suite 728-32 Circle Tower
Indianapolis, Indiana
Insurance Attorneys

NOEL-HICKAM-BOYD & ARMSTRONG

Suite 1019—130 East Washington
Indianapolis, Indiana

Aetna Group, Commercial Casualty, Metropolitan Casualty, Standard Surety & Casualty, N. Y., and many others.
Trial of all insurance cases in State and Federal Courts.

Slaymaker, Merrell & Locke

Attorneys specializing in All Phases of
Fire, Marine, Life & Casualty
Insurance Litigation
751-760 Consolidated Building
INDIANAPOLIS

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

IOWA

CARL H. LAMBACH

1102 Davenport Bank Bldg.
Davenport, Iowa
Specializing in insurance trial work in State and Federal Courts. Department for investigations in Eastern Iowa.

BRADSHAW, FOWLER, PROCTOR & FAIRGRAVE

Suite 510 Crocker Building
Des Moines, Iowa
Representing Continental Casualty-Loyalty Group-Hartford Accident and many others. Equipped for investigations and adjustments of insurance claims.

COMFORT & COMFORT

Frank J. Comfort George P. Comfort
1197 Southern Surety Building
Des Moines, Iowa
Massachusetts Bonding & Insurance Co., Casualty Reciprocal Exchange.
Trial of civil cases.
Investigations and adjusting.

STIPP, PERRY, BANNISTER & STARZINGER

LAWYERS
1099-1023 Bankers Trust Building
DES MOINES, IOWA
Travelers-Northwestern Life Co.-Globe Indemnity-Fireman's Fund.
Equipped for investigations, settlement of claims and trial of all insurance cases in State and Federal Courts.

BREESE & CORNWELL

First National Bank Building
Mason City, Iowa
Equipped for investigations-Northern Iowa

A. R. STRONG

623 Davidson Building
Sioux City, Iowa
Equipped for investigations, settlement of claims, all insurance cases in State and Federal Courts.

KANSAS

HALL & CLARK

303-304 Wolcott Building
Hutchinson, Kansas
Specializing in all phases defense of insurance companies.
Reference: Western Adjustment & Inspection Company.

KELLER, MALCOLM & BURNETT

294 National Bank Building
Pittsburg, Kansas
Counsel for: Employers Group, Standard Accident, Central Surety, Sun Indemnity, U. S. F. & G., Northwestern National, Prudential and others. Specializing in Insurance Law. Equipped for investigations, settlement of claims and trial of insurance cases in State and Federal Courts in Southeastern Kansas.

PINGRY & PINGRY

First National Bank Building
Pittsburg, Kansas
The Aetna Group, Manufacturers & Wholesalers Indemnity Exchange, The Mercator Casualty Company, Indemnity Insurance Company of North America, The Glens Falls Indemnity Company.
Equipped for investigations, adjustments, settlement and trial of insurance cases over southeastern Kansas.

NORRIS & JENKINS

Public Utility Bldg.
Salina, Kansas
Insurance Companies represented: Fidelity & Casualty, Fidelity & Deposit, Loyalty Group, American Surety, Hardware Mutual and many others.
Equipped for investigations, adjustments and trial of cases in Northwest Kansas.

KANSAS (Cont.)

Doran, Kline, Colmery, Cosgrove

903 National Bank of Topeka Bldg.
Topeka, Kansas
Equipped for investigation, adjustment, settlement and trial of insurance business of all kinds in Kansas.

HARRIS & SHEARER

302 Brown Building
Wichita, Kansas
Ohio Casualty, Employers Casualty, Builders & Manufacturers and others.
Equipped for investigations.

KENTUCKY

KEENON, HUGUETET & KESSINGER

Security Trust Building
Lexington, Kentucky
Prudential Insurance Company; Yorkshire; Massachusetts Bonding; National Casualty, Detroit; Greyhound Lines and others.
Equipped for investigations, adjustments, and trial of all insurance cases in State and Federal Courts.

Davis, Boehl, Viser and Marcus

(Blakey, Davis and Lewis)
Kentucky Home Life Building
Louisville, Kentucky
Investigations, Adjustments and Trial of all Insurance Cases.

Woodward, Dawson & Hobson

Insurance Attorneys
615-24 Kentucky Home Life Building
Louisville, Kentucky

LOUISIANA

McCOY, KING & JONES

Suite 515 Weber Building
Phone 400
Lake Charles, Louisiana
American Auto Ins. Co., American Surety, Employers Group, Fireman's Fund Ins. Co., Maryland Casualty, Travelers Group, U. S. F. & G., and many others.
Investigations and adjustments all over this territory.

LESLIE P. BEARD

1914 American Bank Building
New Orleans, Louisiana
Trinity Universal, Sun Indemnity, Central Surety & Insurance Corp., and many others.
Equipped for investigations, adjustments, and trial of all cases in State and Federal Courts in Eastern Louisiana.

MARYLAND

WALTER L. CLARK

Roszel C. Thomsen
Clater W. Smith
Baltimore Trust Building
Baltimore, Maryland

MASSACHUSETTS

CRYAN, SHAW AND BRADLEY

33 Broad Street
Boston, Massachusetts
Counsel for numerous insurance companies. Names given on request. Equipped for investigation, adjustment and trial of all insurance cases in State and Federal Courts.

MASS. (Cont.)

MILTON J. DONOVAN

31 Elm Street
Springfield, Massachusetts
Fire Companies Adjustment Bureau, Inc.
Trial of all insurance cases including casualty, fire and surety in State and Federal Courts.

MICHIGAN

BEAUMONT, SMITH & HARRIS

2900 Union Guardian Bldg.
Detroit, Michigan

MILLER, CANFIELD, PADDOCK & STONE

3456 Penobscot Building
Detroit

HENRY A. PLATT

2111 National Bank Building
Detroit, Michigan
Specializing in defense Trial work for Insurance Companies.

SEABORG & RICE

Attorneys and Counselors
827 Penobscot Building
Detroit, Michigan
Randolph 5160

HARRY D. BOARDMAN

607 Jackson City Bank Bldg.
Jackson, Michigan
Western Adjustment Company.
Former Prosecutor, Jackson County, and Assistant Attorney General of Michigan.
Trial work-investigations.

CLAIR S. BEEBE

1003 American National Bank Bldg.
Kalamazoo, Michigan
Western Adjustment & Inspection Co.
Trial of all insurance cases in State and Federal courts in this territory.

WM. C. BROWN

415 Hollister Bldg.
Lansing, Michigan
Representing about 25 Companies.
Trial in State and Federal Courts and before all State Departments and Boards.
Equipped for investigations.

MINNESOTA

BALDWIN, HOLMES, MAYALL & REAVILL

900 Alworth Building
Duluth, Minnesota
Travelers' Group, Mass. Bonding & Insurance Co., Pacific Mutual Life Insurance Co.

GUESMER, CARSON & MacGREGOR

1218-1232 Roanoke Building
Minneapolis, Minnesota

MINNESOTA (Cont.)

SEXTON, MORDAUNT, KENNEDY & CARROLL

Trial of insurance cases in Federal and State Courts in Minnesota.
Investigations, adjustments, and settlement of claims.
Pioneer Building Security Bldg.
St. Paul, Minn. Minneapolis, Minn.

MONTANA

CORETTE & CORETTE

619-621 Hennessy Building
Butte, Montana
American Surety Company; New York Casualty Company; Sun Indemnity Company.
Equipped for investigations, adjustments, trial of all insurance cases in Butte, Helena and western Montana.

HALL & McCABE

414 Strain Building
Great Falls, Montana
Company representation upon request. Equipped for investigations, adjustments and trial of insurance actions in State and Federal Courts, in North and Northwestern Montana.

MERLE C. GROENE

Lewistown, Montana
Standard Accident Company of Detroit, All-State Insurance Company, Chicago.
Others on request.

NEBRASKA

MAYER & MAYER

116½ West Third Street
Grand Island, Nebraska
Massachusetts Bonding & Insurance Company-others on request.
Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases in State and Federal Courts in Central Nebraska.

C. L. CLARK

410 Richards Building
Lincoln, Nebraska
Defense of insurance cases in all courts. Investigation, adjustment and settlement of claims. Loyalty Group, Northwestern National Casualty Company, Trinity Universal Insurance Company. Others on request.

ROSEWATER, MECHAM, SHACKELFORD & STOEHR

1028-40 City National Bank Building
Omaha, Nebraska
Representing 35 Insurance Companies-Kemper Group-Loyalty Group-Sun-Home-Liberty of Boston-American Surety-Security of Chicago-Employers of Wausau-Associated Ind. and others. Complete trial and claim service over Nebraska and Western Iowa.

NEVADA

C. D. BREEZE

120 South 2nd Street
Las Vegas, Nevada
U. S. F. & G., Los Angeles; American Surety Co., San Francisco; and others on request.
Equipped for investigations and adjustments. Trial Defense Insurance Companies-Southern Nevada.

NEW MEXICO

MANN and TONKIN

605 Sunshine Building
Albuquerque, New Mexico
Metropolitan Casualty Insurance Co.; Commercial Casualty Co.; American Automobile Assn.; others on request.
Trial of all insurance cases in State and Federal Courts in the State of New Mexico.

NEW YORK

GEORGE J. HATT, II

Chamber of Commerce Building
Albany, New York
Equipped for investigations, adjustments, settlement of claims and trial of all insurance cases in State and Federal Courts.

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

NEW YORK (Cont.)

David F. Lee
David Levene
LEE, LEVENE, O'BRIEN & KRAMER
TRIAL LAWYERS
310 Security Mutual Bldg.
BINGHAMTON, NEW YORK
Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

Edward E. O'Brien
Donald W. Kramer

CLARENCE E. MELLE

51 Maiden Lane
New York, N. Y.
Mass. Bonding & Insurance Co.
New Amsterdam Casualty Co.
United States Casualty Co.
Trial of all insurance and surety cases in State and Federal Courts. Equipped for investigations.

NORTH CAROLINA

HARKINS, VAN WINKLE & WALTON

Jackson Building
Asheville, North Carolina
United States Fidelity & Guaranty, Hartford Accident, Home, N. Y., Sun, Glens Falls, American Auto, many others on request.
Trial of all insurance cases in State and Federal Courts.

JNO. A. McRAE

108 Law Building
Charlotte, North Carolina
General American and others upon request
Equipped for investigations, adjustments, trial of all insurance cases in State and Federal Courts.

E. M. STANLEY

526-29 Security Bank Building
Greensboro, North Carolina
Home, New York; Fire Company Adjustment Bureau; others on request.
Equipped for adjustments and investigations. Trial of all insurance cases—State and Federal Courts.

A. J. FLETCHER

606-10 Security Bank Bldg.
P. O. Box 1406
RALEIGH, NORTH CAROLINA
Hartford Accident, Hartford; Standard Accident, Detroit; American Auto, St. Louis. Specializing litigation and adjustments involving casualty insurance law and surety bonds. Experienced adjuster in office.

OHIO

JOHN H. McNEAL

and
HARLEY J. McNEAL
582 Auditorium Bldg., 1367 E. 6th St.
Phone Main 1928
CLEVELAND
Attorneys-at-Law
Facilities for investigations, adjustments and trial work over Northern Ohio.

SANDLER, ELLIOTT & ASHBAUGH

614 Outlook Building
Columbus, Ohio
Representing Standard Accident, Massachusetts Bonding and others.
Investigations, adjustments, trial of all insurance cases.

OHIO (Cont.)

CABLE & CABLE

Masonic Building
Lima, Ohio
Representing American Surety, Fidelity & Cas. of N. Y., General Acc. Fire & Life, Phila.
Trial of all insurance cases in Federal and State Courts. Equipped for investigations.

YAGER, BEBOUT & STECHER

383 Second National Bank Building
Toledo, Ohio
American Surety Company, Phoenix Insurance Company of Hartford, Conn., and Massachusetts Bonding & Insurance Company.

L. M. CAILOR AND J. B. CUNNINGHAM

600-603 Union National Bank Building
Youngstown, Ohio
Equipped for investigations, adjusting, trial of all insurance cases in State and Federal Courts.

WAITE, SCHINDEL & BAYLESS

1318-27 Union Central Life Building
Cincinnati, Ohio
Insurance litigation, specializing in Life, Casualty and Fire—Trials in Federal and State Courts—Reference on request.

OREGON

HARRIS & BRYSON

201-6 Miner Building
Eugene, Oregon
Zurich General Accident and Liability Insurance Company, Ltd.; Manufacturers and Wholesalers Indemnity Exchange. (Other companies on request.)
Equipped for investigation, adjustments, settlement of all insurance cases, and trial in State and Federal Courts.

BARTLETT COLE

1124 Board of Trade Bldg.
Portland, Oregon
Careful attention to all insurance matters. Trial of all insurance cases in State and Federal Courts.

DEY, HAMPSON & NELSON

800 Pacific Building
Portland, Oregon
Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

RAFFETY & PICKETT

410 Mead Building
Portland, Oregon
Globe Indemnity Co., Fireman's Fund Insurance Co. (Marine Department), other names upon request. Equipped to make investigations and adjustments, also trial of insurance cases in all State and Federal Courts.

SHEPPARD & PHILLIPS

1208 Public Service Bldg.
Portland, Oregon
U. S. F. & G., Lloyds of London, others on request. Investigations and Adjustments.

SOUTH CAROLINA

ROBERT McC. FIGG, JR.

43 Broad Street
Charleston - South Carolina
The Travelers Insurance Company, American Surety Company of New York, Hartford Accident & Indemnity Company, New York Casualty Company.
Trial of all insurance cases in State and Federal Courts. Equipped for investigations and adjustments.

THOMAS-LUMPKIN & CAIN

1000-7 Central Union Building
Columbia, South Carolina
Specializing in Fire, Casualty, Surety and Life. Trial of all cases.
Equipped for investigations and adjustments all over South Carolina.

SOUTH DAKOTA

BAILEY, VOORHEES, WOODS & BOTTUM

Sioux Falls
Charles O. Bailey (1868-1928)
John H. Voorhees Melvin T. Woods, Jr.
Theodore M. Bailey Roswell Bottum
Howell L. Fuller Ralph S. Rice

TENNESSEE

POORE, KRAMER & TESTERMAN

302 Fidelity Bankers Trust Building
Knoxville, Tennessee
Zurich Insurance Co., Chicago, Ill.; Preferred Accident Ins. Co., New York; Commercial Standard Ins. Co., Fort Worth, Texas; and other companies on request.
Equipped for investigation, adjustments and trial of cases in all courts in Eastern Tennessee.

TEXAS

UNDERWOOD, JOHNSON DOOLEY & HUFF

509 Amarillo Building
Amarillo, Texas
Consolidated Underwriters, Commercial Standard Insurance Co., Maryland Casualty Co., Texas Employers Insurance Assn., others on request.
Equipped for investigations, adjustments, trial of all insurance cases state and federal courts, Panhandle and West Texas.

COLEMAN GAY

Norwood Building
Austin, Texas
Travelers—American Indemnity—Glens Falls—others on request.
Practice before all State Departments.

PIPKIN & PIPKIN

384 Gilbert Building
Beaumont, Texas
The Travelers Insurance Company.
Equipped for investigations and adjustments Southeastern Texas.

HUBBARD, DYER & SORRELL

City National Bank Building
Corpus Christi, Texas
References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.
Specializing in Insurance Law
Equipped for Investigation and Claims

LAW OFFICES COKE & COKE

First National Bank Building
DALLAS, TEXAS
Roser J. Coke
Henry C. Coke, Jr.
Julian B. Mastin
Thomas G. Murman
John N. Jackson
Arthur E. Hamilton

TEXAS (Cont.)

SANER, SANER & JACK

Twentieth Floor Republic Bank Bldg.
Robt. E. Lee Saner Jno. C. Saner
Wm. H. Jack, Jr.
Equipped for investigations, adjustments, trial of all insurance cases, State and Federal Courts.
DALLAS, TEXAS

Cantey, Hanger & McMahon

15th Floor, Sinclair Building
FORT WORTH, TEXAS
Samuel B. Cantey Samuel B. Cantey, Jr.
(1882-1924) Alfred McKnight
William A. Hanger Gillis A. Johnson
Mark Mahon B. K. Hanger
W. D. Smith
Investigations, Adjustments, Trial All Cases

COLE, PATTERSON & COLE

Citizens State Bank Building
Houston, Texas
Robert L. Cole, Sr. J. W. McDaniel
Bennett B. Patterson Harold T. Thuraw
Robert L. Cole, Jr. R. E. Owens
Seymour Lieberman
Standard Accident Insurance Company of Detroit.
Chicago Lloyds.
United States Casualty Co. of New York City, etc.
Equipped for investigation, adjustment, trial of all insurance cases and oil cases.

LAW OFFICES OF EDWARD S. BOYLES

FIRST NATIONAL BANK BUILDING
HOUSTON, TEXAS
Edward S. Boyles Willard L. Russell
M. S. McCorquodale V. Lee McMahon
Bruce C. Billingsley Hugh Q. Buck
H. F. Gibbons

CRENSHAW & DUPREE

First National Bank Building
Lubbock, Texas
Representing U. S. F. & G., F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others.
Trial of all insurance cases in all courts. Equipped for investigations, adjustments, settlement of claims in plains country.

BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building
San Antonio, Texas
Continental Casualty Co., Chicago; Indemnity Ins. Co. of North America, Phila.; Mass. Bonding & Ins. Co., Boston; Provident Life and Acc. Ins. Co., Chattanooga; Sun Indemnity Co. of New York; Volunteer State Life Ins. Co., Chattanooga, and others.

MOURSUND, BALL, MOURSUND & BERGSTROM

613 Frost National Bank Building
San Antonio, Texas
Loyalty Group and others give on request.
Trial of all insurance cases, State and Federal Courts this territory.

UTAH

THATCHER & YOUNG

First Security Bank Building
Ogden, Utah
Travelers, Great American Indemnity, Maryland Casualty and others on request.
Equipped for investigations, adjustments, defense of insurance companies in Northern Utah.

Stewart, Stewart & Carter

1105 Continental Bank Building
Salt Lake City, Utah
Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

(Continued next page)

INSURANCE ATTORNEYS

● The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

VIRGINIA

W. SHEPHERD DREWRY

241-244 Law Building
Norfolk, Virginia

Indemnity Insurance Co. of N. A., United States Fidelity and Guaranty, Bankers Indemnity Co., Fire Association of Phila., American Indemnity Co., All State Insurance Co.
Equipped for investigations, adjustments and trial of all insurance matters in State and Federal Courts.

T. RUSSELL CATHER

34 Rous Ave.
Winchester, Virginia

New York Life, Maryland Casualty, American Surety Co.
Equipped for investigations, trial of all cases, State and Federal Courts and Commissions.

WASHINGTON

ALLEN, FROUDE & HILEN

Northern Life Tower
Seattle, Washington

U. S. F. & C., Northwestern Mutual Life Ins. Co. Others on request.

DAVIS AND GROFF

(William Hatch Davis, former member Vermont Bar)
(Guy B. Groff, former member Maryland Bar)
1333 Dexter Horton Building
Seattle, Washington

(1) John Hancock Life.
(2) Fidelity & Guaranty Fire Corporation.
(Others on request)
Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

N. A. PEARSON

403-04 Fourth & Pike Bldg.
Seattle, Wash.

Associated Indemnity Corp., and London Guarantee & Accident Co.
Equipped for investigations and adjustments and trial of all insurance cases in State and Federal Courts.

ROBERTS AND SKEEL

Insurance Building

John W. Roberts
E. L. Skeel
Tom W. Haiman
Frank Hunter
Tyro E. Hollander
Laurence Booth, Jr.
W. B. McKelvy
Wm. Paul Uhlmann
Harry Henke, Jr.
W. E. Evenson
Robert H. Grace
SEATTLE

SCHWELLENBACH & GATES

Alaska Building
Seattle, Washington

American Automobile Insurance Company, St. Louis, Missouri; other companies given on request.
Trial of all insurance cases, State and Federal Courts.

DANSON, LOWE & DANSON

Paulsen Bldg.
Spokane, Washington

Maryland Casualty Co., U. S. F. & G. Co., and others on request.
Investigations and trial of all insurance cases in State and Federal Courts.

PEDIGO, WATSON & GOSE

218 First National Bank Bldg.
Walla Walla, Washington

American Automobile of St. Louis, Great Lakes Casualty Company of Detroit. Others on request.
Equipped for investigations, adjustments, trial of all insurance cases, State and Federal Courts, South-eastern Washington.

BONSTED & NICHOLSON

Miller Building
Yakima, Washington

Loyalty Group, Pacific Indemnity, and others on request. Equipped for investigation and adjustments, trial of all insurance cases in Federal and State Courts.

WEST VIRGINIA

PAYNE, MINOR, RAY, MAIER & DAVIS

Kanawha Valley Building
Charleston, West Virginia

New York Casualty, American Surety, Zurich, American Motorist, Lumbermen's Mutual Casualty Co., and others on request.
Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

VINSON, THOMPSON, MEEK & SCHERR

First Huntington National Bank Building
Huntington, West Virginia

Hartford Indemnity, General Accident, U. S. F. & G., U. S. Guarantee (Chubb & Son), Inter-Ocean Casualty Company (General Counsel), and others on request.
Investigations, adjustments and trials — State and Federal Courts.

RUSSELL, HITESHEW & ADAMS

285½ Fourth Street, (Box 510)
Parkersburg, West Virginia

Employers' Group—The Fidelity & Casualty Company of New York—Glens Falls Indemnity and others furnished on request.
Equipped for investigations and adjustments. Trial of all insurance cases in State and Federal Courts.

NESBITT & NESBITT

880 Riley Law Building
Wheeling, W. Virginia

Maryland Casualty Co., Travelers, Fidelity & Deposit of Maryland.
Equipped for investigation and adjustment. Trial of insurance cases in all courts.

WISCONSIN

STREHLOW & CRANSTON

510 Northern Building
Green Bay, Wisconsin

Equipped for adjustments, investigations and trial of cases.

GRELLE & SCHLOTTHAUER

165 Monona Avenue
Madison, Wisconsin

Lumbermen's Mutual Casualty Co., Zurich, Pearl Assurance Co., Ltd.
Equipped for investigations and adjustments. Trial of all cases in State and Federal Courts and before commissions.

BLOODGOOD, STEBBINS & BLOODGOOD

212 W. Wisconsin Ave.,
Warner Building
Milwaukee, Wisconsin

WOLFE & HART

First Wisconsin Nat. Bank Bldg.
Milwaukee, Wisconsin

Special attention to the Law of Fire Insurance

POWELL & SPROWLS

11 First National Bank Building
Superior, Wisconsin

NEW YORK CASUALTY COMPANY, AMERICAN SURETY COMPANY, MARYLAND CASUALTY COMPANY—others on request.
Equipped for investigations and adjustments and trial of all insurance cases.

WYOMING

JAMES A. GREENWOOD

Majestic Building
Cheyenne, Wyoming

Former Attorney General, State of Wyoming. Trial of all Insurance Cases in State and Federal Courts.

down. The companies involved are the Atlantic Mutual Fire, Caledonian, Carolina Mutual, Federal Hardware & Implement Mutual, Firemen's, Hanover Fire, Lumbermen's Mutual and North-eastern Assurance.

To Have Insurance Course

MIAMI, FLA., May 26.—The law department of the University of Miami has announced establishment of an insurance course, with F. G. Turner, of Newark and Miami, director. This follows the University of Florida in setting up some years ago a section of insurance in the school of commerce. Mr. Turner has lectured on interpretation of insurance policy contracts at Miami University for several years.

Lower Rates for Madisonville

The Kentucky Actuarial Bureau reports that Madisonville has met all requirements for reduction of fire insurance rates and that the lowering of rates has been authorized.

Agency to Continue

The McDonald agency at Lakeland, Fla., will be carried on by Mrs. McDonald, widow of Kenneth McDonald, the owner; F. L. McDonald, a nephew, and Mrs. F. L. McDonald. Kenneth McDonald had been prominent in Florida insurance business for many years.

He died in a Cleveland hospital two weeks ago, where he had gone for an operation after a stroke. He was on the executive board of the Florida Insurance Agents Association for several years. Fred McDonald comes from several years in the business at Birmingham.

Opens Own Agency

S. G. Thompson, for the past 14 years with the Brown & Martin agency, Louisville, as a solicitor, is establishing his own agency, to be known as the Sterling G. Thompson Co., Marion E. Taylor building, where he will handle fire, casualty, and general lines, representing among other companies the London Assurance and the Westchester Fire.

Miami Board Change

The Greater Miami (Fla.) Insurance Board has brought its membership of 72 into full relation with the state and the national associations.

Houston Losses Low

Insured fire losses in Houston, Tex., in April are only \$17,253, the lowest April loss in 10 years. This compares with \$24,293 for April, 1936. For the first four months losses were \$168,536, against \$163,385 last year.

PACIFIC COAST AND MOUNTAIN

Bridge Risk May Be Granted

All-Risks Coverage Totalling \$18,500,000 on Golden Gate Structure Near Awarding

SAN FRANCISCO, May 26.—A long drawn out discussion over rates to be charged for the \$18,500,000 all-risks coverage for the Golden Gate bridge is expected to be concluded this week with bridge district directors either accepting the bid of 48 cents per \$100 submitted jointly by Billings & Co., and Cosgrove & Co., or placing the business with the Insurance Brokers Association, organization formed last year by members of the Insurance Brokers Exchange to compete for all public works insurance.

The two factions have contested with the bridge district directors for several months. At the last meeting the brokers association fought to get the business on the grounds it should be divided and local agents comprising the Redwood Highway Insurance Agents Association also should participate through the association. Agents are those located in the northern part served by the bridge which connects San Francisco and Marin county and thence the entire northern hinterland.

Another point involved was hesitancy of directors to accept the 48 cent bid in face of a 40 cent rate granted the San Francisco-Oakland Bay bridge for the same coverage last year. In answering this objection, representatives of the Cosgrove and Billings offices stated the companies had considered the earthquake hazard, the joint risk of the two huge bridges and the published statements of about two years ago by Professor Bailey Willis who reflected upon the strength of the rock foundation in which the south pier is constructed. Professor Willis at that time questioned the advisability of attempting to put so great a weight on this foundation. He said the rock was of shale and liable to crumble under this weight and force of an earthquake.

The rate quoted for five years was 38.4 cents, which, it is reported, would be slightly less than the five year rate on the bay bridge.

Engineers employed by the bridge district and surety companies which went on bonds of contractors, reported Professor Willis' fears were ungrounded.

Oregon Fire Figures Given

Net Written by Stock Companies for 1936 Is \$6,570,969; Losses Total \$2,843,526

SALEM, May 26.—Net premiums written by stock fire companies in Oregon in 1936 totaled \$6,570,969, according to Commissioner Earle. Losses paid aggregated \$2,843,526.

The 1936 volume of \$6,570,969 included fire premiums of \$3,848,148, losses \$1,524,757; ocean marine premiums \$388,306 with losses of \$447,887; automobile premiums of \$1,909,225, losses \$736,917; inland marine premiums \$355,336 and losses of \$126,151; sprinkler leakage premiums, \$4,286, losses \$1,427; riot, civil commotion and explosion, \$49,905, loss \$371 and aircraft \$687, loss \$42.

Total amount of risk reported by stock companies in Oregon, under fire contracts as of Dec. 31, 1936, is \$596,140,446, as compared with \$577,827,317 Dec. 31, 1935.

Dauwalter at Denver

F. S. Dauwalter, director of the Business Development Office in New York City, spoke before the Denver Association of Insurance Agents, stating that too often agents are satisfied to take merely the business that comes to them. Mr. Dauwalter said, "If we, as live wire, wide awake insurance men, would try selling insurance we would find much business actually waiting for us to take."

Earl, Coughtry on Coast Tour

E. L. Earl, assistant secretary and head of the claims department, and Allen Coughtry, superintendent group department Sun Life of Canada, have been on a tour of Pacific Coast offices.

Bank's Insurance Requirement

San Francisco brokers writing insurance on properties mortgaged to the Bank of America have been advised by that organization that the "Bank of America N. T. & S. A." has incorporated in its standard practice manual a regulation which requires eight point combined coverage on all new and renewed fire policies covering properties securing loans granted by the banking institution. The only exceptions to the announcement are farm properties other

than dwellings, which are not eligible for this type of coverage, and dwellings without gas installation which do not require this form of coverage.

Mendell on Circuit

J. M. Mendell, manager Pacific Coast department London Assurance, is visiting northwest states. J. C. Hitt, Portland special agent, accompanied him through Oregon and Special Agent J. E. Johnson in Washington.

Celebrate Auto Division's 5th Year

LOS ANGELES, May 26.—The Pacific department here of the Gulf companies celebrated the opening of the automobile department five years ago. Congratulatory messages were received from the home office. When the department was opened it was in charge of Prentice Hewitt, now assistant manager of Pacific department of the Gulf.

Miss Sorenson Is "Queen"

Miss Vivian Sorenson of the California-Commercial Union group, candidate of the insurance fraternity in the race for nomination as "queen" of the Golden Gate bridge fiesta, won the honor and was crowned during the bridge festivities which opened in San Francisco May 26. She was sponsored by the Insurance Women's League of San Francisco and won her designation through sale of tickets by insurance people generally throughout northern California territory.

California Regional Meetings

Regional meetings of the California Association of Insurance Agents, held twice each year in the principal cities of the state, will commence June 14 at Fresno with President G. C. Appleton as the principal speaker in northern and central California and Vice-president D. B. Goldsmith at southern California meetings. At each of these meetings Frank Colridge, executive secretary, will outline legislative activities and other accomplishments of the association.

A statewide educational program is to be started shortly by the association. The plan has been approved by the directors. Classes are to be held in all principal cities of the state, conducted by the local associations in each instance. The association hopes to receive the cooperation of the field men who can be of material assistance as instructors.

Office Again Enlarged

The Pacific National Fire is expanding its recently enlarged southern California headquarters offices at 650 South Spring street, Los Angeles. Volume handled through this office has necessitated further increase of the staff and a 50 percent increase in floor space.

Oregon Mutual's Agents Elect

Martin Knutsen of Astoria was elected president of the agents' association of the Oregon Mutual Fire at its convention in McMinnville. Lowell Williamson of LaGrande is vice-president and Martin Redding of McMinnville, recorder.

Hail Commissioner Dies

T. P. Detmore, 66, Colorado state hail insurance commissioner, died in Denver from a sudden heart attack. He had been head of the hail insurance department since 1929.

The Washington Insurance department has opened new quarters at 1912 Exchange building, Seattle.

Reduce Insurance Rates

Recommend
JUSTRITE OILY WASTE AND SAFETY CANS
Manufactured and Labeled by the Underwriters Laboratory and Associated Factories Mutual Insurance Co.
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Brings Greetings



C. V. DAVIS

C. V. Davis of Sheridan, Wyo., brought greetings to those attending the annual meeting of American Association of Insurance General Agents in Denver from the National Association of Insurance Agents. He is a member of the executive committee of the latter organization.

EAST

May Amend Boston Proposal

Changes in Plan to Consolidate Three Organizations to Be Considered at Meeting May 27

BOSTON, May 26.—The situation involving consolidation of the Boston Board, Providence Board and New England Insurance Exchange in an organization to be known as the New England Fire Insurance Rating Association, reached the point this week where the Boston Board special conference committee submitted a "report without prejudice," embodying recommendations and changes in by-laws proposed by the special Boston committee of the Eastern Underwriters Association at its last conference here. The E. U. A. committee had expressed the desire the local committee of its own account recommend adoption of the plan.

Suggested amendments have been sent to members of the Boston Board and a special meeting called for May 27, when it is hoped decision as to adoption of the plan will be made.

Four Amendments Proposed

Four amendments proposed by the Boston Board committee are, that the executive manager shall be approved by the association and not arbitrarily appointed by the governors; that a new section of by-laws include substantially what was previously touched upon only in a note, to the effect that regulations and practices in force and which may be adopted by any of the three groups, except regulations and practices relating to rating schedules, inspection and stamping, are not under jurisdiction of the association and are unaffected by the consolidation plan; that meetings of governors be held in Boston, and that original wording of the section having to do with formation of regional committees be stricken out and an entirely new setup suggested which provides more specific details as to the character and duties of those committees.

This provides that for the territory of the Boston division there shall be appointed a rates, rules and appeals committee of four members and four al-

ternates which shall be members of and appointed by the governors, and two members and two alternates appointed by the executive committee of the Boston Board. The committee will meet in Boston at stated periods to attend to appeals. All proposed changes in rating schedules, minimum rates, rating rules and forms affecting the Boston division shall be first submitted and subject to approval by this committee.

The remainder of the by-laws as originally proposed and submitted by the E. U. A. committee stands.

Hall Heads Protective Association

NEWARK, May 26.—At the annual meeting of the Underwriters Protective Association, which controls the Newark Salvage Corps, all officers were re-elected. W. A. Hall, Jr., starts his 14th year as president. All directors were re-elected, with M. S. Reeves, Newark manager Royal group, succeeding Fred Walker, deceased.

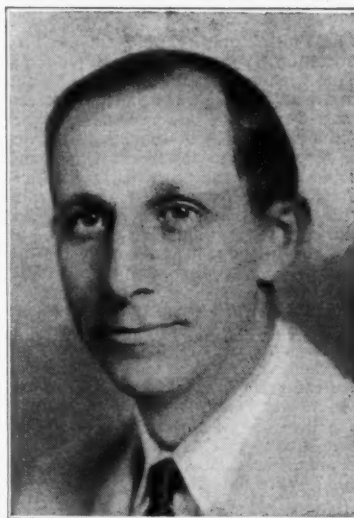
Smoke & Cinder Outing

The Smoke & Cinder Club of Pittsburgh will hold its annual stag outing June 8-9 at Oakland Beach Hotel, Conneaut Lake, Pa. C. M. Berlin, America Fore, heads the committee. This is the last scheduled meeting until October.

N. J. Fireworks Bill Signed

NEWARK, May 26.—The fireworks measure, which has been in the New Jersey legislature every year for the past five years, has finally become a law, having been signed by Governor Hoffman. It prohibits sale or possession and no one will be allowed to have a display of fireworks unless a license is

At New York Rally



JOSEPH W. MUNDUS, Ann Arbor, Mich.

Joseph W. Mundus of Ann Arbor, Mich., immediate past president of the Michigan Association of Insurance Agents and chairman of the Michigan joint committee of agents and field men for Business Development activities, was one of the chief speakers at the annual meeting of the New York State Association of Local Agents this week. Mr. Mundus made a big hit at the mid-year meeting of the National Association of Insurance Agents at Omaha in telling what had been done in Michigan to meet non-stock competition and how it had been done. He went over the same ground with the New York people.

Following the session Monday afternoon, there was a meeting of the regional joint committee of agents and field men for Business Development in conference with Mr. Mundus with F. L. Greeno of Rochester, general chairman, presiding.

permitted by a municipality and then a \$2,500 bond must be posted to cover any damages that may result. The passage of the measure was urged by insurance men.

Filing Tax Bonds

NEW YORK, May 26.—While the law requiring that agents in New York state representing non-state companies file a bond guaranteeing payment of the 2 percent fire department tax has been upon the statute books for many years, an amendment adopted by the legislature authorizes the Firemen's Association of the state to maintain an action to enforce compliance. It is asserted that fully 60 percent of the agents have already furnished the required bond and full compliance with the law may now be looked for.

Pennsylvania Appropriation

The Pennsylvania House committee on appropriations, in reporting the general budget appropriation for the next two years, gives the insurance department \$715,000, which represents an increase of \$70,000 over the last two years.

Nashua, N. H., Agents Elect

NASHUA, N. H., May 26.—The Nashua Fire & Casualty Underwriters Association has elected George N. Andrews president; Donat Corriveau, vice-president, and L. G. Gelin, secretary-treasurer. The annual meeting was enlivened by a discussion of the proposed legislation to stiffen the state financial responsibility law.

Swenson Suburban Special

BOSTON, May 26.—O. W. Swenson, in the insurance business in Boston 32 years, formerly with the Mercantile, and with Simpson, Campbell & Co. for many years as counterman, is joining the Cyrus Brewer & Co. agency as suburban special agent.

West Virginia Agents Meeting

The annual meeting of the West Virginia Association of Insurance Agents will be held in Wheeling, June 14-15. T. H. Pollock of that city is president. The program is now being completed.

Heads Blau Office

F. W. Westervelt, Jr., has become executive in charge of the Leslie Blau Agency, Newark, N. J. He has been with the Lumbermen's Mutual Casualty at its Chicago head office and was formerly with J. M. Byrne Company.

Fall River Men Meet

Members of the Fall River, Mass., Board of Underwriters met with the Fall

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River Business Development Committee here for a joint discussion of the aims and purposes of the movement, with A. M. Paddon, chairman of the Fall River committee, presiding.

Eastern Notes

H. J. Curtis, treasurer Nutfield Insurance Agency, Derry, N. H., has purchased entire ownership of the agency and changed the name to the Curtis Insurance Agency.

F. W. Westervelt, Jr., formerly with the Lumberman's Mutual Casualty and the Joseph M. Byrne Agency in Newark, has been named head of the insurance department of the Leslie Blau Co., Newark.

MOTOR

GMAC Changes Advertising

Motor Finance Organization Agrees to Drop References to Cut-Rate Insurance After Agents' Protest

Following protests by Pacific Coast local agents, the General Motors Acceptance Corporation plans to eliminate all mention of a 25 percent discount on insurance written by the General Exchange on machines which the G.M.A.C. finances. The General Exchange, which handles only automobile fire lines for G.M.A.C. financed cars, leaves expirations free for solicitation of agents and brokers. It writes no insurance for cars sold for cash, officials declared.

The General Motors organization said any cut rate competition or advertising reflecting on charges of insurance companies would be contrary to its policy. The advertising was confined to the Pacific Coast.

Will Confer on Loss Topics

Automobile Superintendents Club to Meet with the General Adjusters on Mutual Problems

The Western Loss Association appointed a committee to deal with the Automobile Superintendents Club at Chicago on losses and underwriting at the request of President F. C. McDermid of the Automobile Club, he being head of the automobile department of the Aetna Fire in the west. President Moreau of the loss association appointed T. E. Heald, National Fire, chairman; J. A. McClelland, Great American, and S. A. Richards, General Exchange, as its representatives.

The Automobile Club appointed R. E. Dixon, Fire Association, chairman; Carl Weipert, London Assurance, and A. M. Wagner, Hanover. The committee will hold a joint meeting in the near future.

Allied Mutual Meets

The Allied Mutual Automobile of Des Moines increased its sales 36 percent during the first four months of 1937. H. S. Evans, secretary, told a sales meeting of 60 agents in Des Moines. Other speakers were Dr. A. R. Lauer, Iowa State College, who demonstrated safety driving tests, and B. Rees Jones, president of the Town Mutual Dwelling.

Reciprocal Enters Iowa

The Farmers Automobile Inter-Insurance Exchange, a reciprocal, will open an Iowa office at Des Moines. W. F. Whitehead, a member of the home office staff for five years, has leased space for state offices at 419 Fifth avenue. He plans to develop a state-wide agency organization and act as division superintendent.

Guardian Underwriters, Detroit, has been incorporated as an agency by T. F. Gaffney, L. F. Routtinen and S. K. Min-ton.

Gives Report



THOMAS A. SHARP, Rochester, N. Y.

T. A. Sharp of Rochester, N. Y., who was very prominent as head of the local arrangements committee when the National Association of Insurance Agents met at his city, gave a report at the annual meeting of the New York State Association of Insurance Agents at Syracuse this week as chairman of the special committee for study of compulsory automobile insurance.

MARINE

Knowles Becomes Marine West Coast General Agent

The Philadelphia National of the Fire Association has appointed A. B. Knowles marine general agent on the Pacific Coast, with offices at 114 Sansome street, in San Francisco. He resigned several months ago as marine manager St. Paul Fire & Marine on the West Coast and had planned to establish his own office.

C. H. Preston will be an underwriter in his office. He has been a special agent for the St. Paul Fire & Marine at Salt Lake City and was formerly marine field man of the St. Paul at Portland and Seattle.

The Knowles agency will represent also the Focierie of Paris, France. Mr. Knowles entered the business in 1915 with the New York Underwriters in San Francisco and later was with the H. R. Mann general agency there. He was a member of the firm in 1928 and Pacific Coast marine manager for the St. Paul when that company bought the Mann marine lines.

Made Inland Marine Agent

R. W. Sweeney of New York City has been appointed inland marine metropolitan agent for the Charter Oak Fire of Hartford in Greater New York. It is a member of the Travelers group.

Honor L. C. Lewis

L. C. Lewis, vice-president North America, was honored at a golf party and dinner held at West Orange, N. J., by officers, executive committeemen and chairman of sub-committees of the Inland Marine Underwriters Association. Mr. Lewis has completed his second term as chairman of the executive committee.

H. V. Smith, association vice-president, was toastmaster. Mr. Lewis was given a silver platter on which were engraved signatures of his associates in the marine organization. A number of company and association officials attended.

IN THE CANADIAN FIELD

Head Offices Demand Action

Failure of Ottawa Conference to Correct Dominion Fire Insurance Conditions Is Regretted

TORONTO, May 26.—Head office executives of British fire companies were greatly disappointed at the failure of a three-day conference in Ottawa recently to formulate a definite program for improving the fire insurance situation throughout a considerable section of the Dominion, and are reported to have taken a hand, demanding that some reform measures be put in effect. The net effect of the Ottawa deliberations was to express the view there were too many companies operating in the Dominion and to recommend that owner corporations retire their annexes from the field.

Look to British

As the interest of British companies is materially greater than that of American offices licensed in Canada, the latter look to the former to take the initiative. Complexities of the situation are not underestimated. It is realized that time will be required to prepare a comprehensive plan with effective provisions.

In formulating such a plan, it is conceded some large offices must be prepared to make sacrifices, since they have long established and valued agency connections. The extent to which individual companies will be willing to suffer immediate premium reduction for the ultimate good of the business, remains to be seen. Without doubt, though, unless needed action is taken voluntarily by the carriers, provincial authorities will step in and do what is needed to remedy the bad situation that has existed over long.

Canadian 1936 Fire Figures

Premium Increase Anticipated This Year on Basis of First Four Months' Experience

Premium volume increase in Canada is anticipated this year on the basis of the first four months' experience of fire and casualty companies. If so this will be the first increase since 1929. All companies reported premium increase in automobile and other casualty lines. Losses are running somewhat ahead, yet the fire loss ratio is still considered abnormally low.

Comprehensive Forms Popular

Marine carriers are taking some business away from the strictly fire companies. The comprehensive forms are becoming more popular.

Casualty losses are running about the same as last year, although possibly there may be a slight increase. The estimates were based on reports by an equal number of board and non-board, mutual and stock companies. Non-board competition appears to be as much of a problem as ever. This has been on the increase steadily for a number of years. It was felt improvement in general business would result in a swing back to board companies, but this trend has not yet been noted.

Experience of Last Year

Recapitulation of the 1936 figures shows net premiums written \$40,179,674, compared to \$40,884,876 in 1935, Canadian companies having \$7,925,621, British companies \$16,495,141 and all other companies \$15,758,912. Net losses incurred totaled \$14,064,545, compared to \$14,821,465 in 1935, Canadian company losses being \$2,605,027, British \$5,839,749 and all others \$5,619,769. A tabulation

of companies writing \$150,000 or more in premiums in 1936 is:

Canadian Companies	Net	
	Premiums Written	Losses Incurred
Acadia	\$186,606	\$ 57,423
British America	320,935	97,244
Canada Accident	153,758	52,767
Canadian Fire	296,719	70,025
Canadian General	157,170	47,973
Commerce Mutual	366,331	103,548
Dominion Fire	282,415	69,530
Dom. of Canada Gen.	176,173	42,760
Economical Mutual	308,158	108,139
Fire Ins. of Canada	280,232	109,709
Grain	508,562	104,931
Halifax	241,232	69,905
Liverpool-Manitoba	189,583	66,945
Portage le Prairie	218,670	169,508
Wawanesa	1,206,984	414,890
Western	421,000	131,504

British Companies

	Premiums Written	Losses Incurred
Alliance	\$344,655	\$ 94,541
Atlas	446,275	141,226
British Crown	248,123	89,260
British Traders	155,963	39,859
Caledonian	265,393	119,357
Century Insurance	177,886	74,891
Commercial Union As.	612,383	253,594
Cornhill	193,240	75,595
Eagle Star	291,747	87,109
Employers Liability	517,780	161,466
General Accident Fire	298,599	118,605
Guardian Assurance	671,611	250,975
Law, Union and Rock	262,582	100,148
Legal and General	151,376	73,377
Liverpool & Lon. & Gl.	849,411	315,596
London & Lancashire	898,825	471,907
London Assurance	344,264	95,537
Merchants Marine	162,705	40,535
North British	634,515	195,118
Northern Assurance	378,828	134,561
Norwich Union	702,984	258,891
Ocean Accident	212,322	83,622
Palatine	179,384	61,563
Pearl	274,246	79,349
Phoenix of London	798,473	264,403
Provincial	276,087	109,485
Prudential	520,089	190,757
Royal Exchange	405,995	126,046
Royal Insurance	1,301,716	442,715
Scottish Union	258,823	117,016
Sun Insurance	169,219	218,414
Union Assurance	256,263	87,950
Union of Canton	267,364	67,484
Yorkshire	255,070	77,280

All Other Companies

	Premiums Written	Losses Incurred
Aetna	\$346,927	\$105,955
Alliance Insurance	156,940	58,620
American Equitable	210,047	143,311
American Reserve	152,817	58,828
Bee Fire	161,233	78,529
Continental	266,688	86,841
Fidelity-Phoenix	280,813	85,711
Firemen's Insurance	150,445	47,990
Focierie	222,202	69,876
General of America	265,264	133,682
Great American	421,940	202,962
Hardware Dealers	210,668	55,165
Hardware Mutual	229,633	67,314
Hartford Fire	530,320	185,571
Home Insurance	1,177,226	455,084
Ins. Co. of No. America	469,422	166,665
Lumbermen's Und. All.	217,333	147,081
Merchants & Manuf.	193,801	64,308
Merchants Fire	183,539	50,024
Mill Owners Mut., Ia.	248,495	46,375
Minnesota Implement.	224,616	57,760
National of Hartford	251,760	88,608
National of Paris	427,740	143,579
New York Fire	188,727	82,223
Northwestern Mutual	596,999	121,668
Phoenix of Hartford	231,767	71,173
Providence of Paris	154,714	67,574
Queen	427,250	150,520
Springfield	262,536	104,422
Travelers Fire	286,155	81,366
Union of Paris	245,824	93,684
United States Fire	164,821	48,331

Harvey Assistant Manager

MONTREAL, May 26.—J. H. Harvey has been appointed assistant manager for Canada of the Great American group, with headquarters in Montreal. He spent eight years with the Canadian Underwriters' Association as chief inspector of the Ontario manufacturing department, six years as a junior partner in the general agency firm of Murphy, Love, Hamilton & Bascom, Toronto, and for the past three years has been Ontario superintendent for the Great American.

Makes Hit with Philatelists

The Royal-Liverpool people made a hit with the philatelists among their agents and with those agents who are parents of philatelists. A batch of letters were sent to Liverpool, addressed to agents in this country. They were posted there with the special coronation stamps. The management got the idea of doing this when an agent asked if they would not arrange to have a letter with this stamp mailed to him.

Solid Program at Illinois Meeting

(CONTINUED FROM PAGE 3)

ment to the section governing London Lloyds.

Insurance Director Palmer of Illinois was the other banquet speaker. He commended the Illinois agents association for having given "intelligent support" to the code bill.

The intention was to have the afternoon session largely a discussion period, with certain leaders assigned to lead the discussions. As it turned out, the program was heavily loaded and President W. Herbert Stewart had to chop off the discussion. Accordingly the program amounted to regular talks. It may be that these talks were especially interesting because they had been prepared with the idea of provoking discussion. Each leader had made excellent preparation and there was no empty oratory.

Presidential Message

W. Herbert Stewart of Chicago opened the morning session with his presidential message. The Business Development program, he said, has promoted good feeling between company and agency men. The association until recently assumed the responsibility of sending notices of Business Development meetings to all agents, some 5,000 having been mailed. That proved too expensive and now notices are sent to association members only.

Membership is at an all-time peak. Finances are in good shape. The Business Development enterprise has stimulated local board activity. The effort to break the grip of politicians on premiums on business within their reach is being conducted by the special committee on public business, Lyle H. Gift, Peoria, chairman. There is hope for progress, according to Mr. Stewart.

A crusade similar to the Business Development work is needed in the casualty field, particularly in respect to automobile, he declared. Although stock auto premiums increased in 1936, the ratio of gain on the part of non-stock was twice as great.

Mr. Stewart referred with gratification to the good experience in the compensation line. Agents are no longer put to it to find a market for their compensation business. Occupational disease, however, has been a headache. He advocated revision of the standard fire policy, at least to the extent of eliminating those clauses that are now eliminated without charge by rider. He urged local agents to stand in the way of the development of consumer cooperatives.

Membership Is 488

S. E. Moisant, Kankakee, secretary, reported membership as of May 21, 488. National Councillor Frank J. Budelier, Rock Island, could not attend due to illness in his family. His report was given by his fellow townsman, C. J. Montgomery. Agents were urged to memorialize their casualty companies to engage in a Business Development endeavor. The next annual meeting will probably be a two day affair to give time for a Business Development discussion.

Rockwood Hosmer, Chicago, reporting as legislative chairman, reviewed the course of the Illinois insurance code bill. The fate of the measure is uncertain, said, and he urged agents to button-hole their legislators in its behalf. He praised Insurance Director Palmer for "standing by his guns" and refusing to budge from his position that London Lloyds be required to meet all standards imposed on other insurers. Chairman Keane of the senate insurance committee, according to Mr. Hosmer, has seen "eye to eye" with the agents on the Lloyds proposition.

Other Legislation

Mr. Hosmer referred to other legislation—drivers license and financial responsibility, compensation monopolistic state fund, compulsory assignment of

undesirable O. D. and compensation risks, anti-agency clearance, the measure permitting plaintiffs to join insurers as party defendants in auto accident litigation.

Ralph Miller, Chicago, reported as chairman casualty and surety committee. The "hysteria" created by passage of the O. D. law has largely disappeared, he said. A few industries are still without indemnity. The companies were unable to arrange a voluntary pooling plan to absorb this liability and legislation for a compulsory assignment plan was resorted to.

The writing of fictitious auto fleets is increasing in the large cities, he asserted. He warned that this, through causing rate demoralization, will lead to state rate regulation.

The National Bureau of Casualty & Surety Underwriters, according to Mr. Miller, estimates that if the bill to increase compensation benefits passes, a rate increase of from 22 to 29 percent will be necessitated. That measure would increase compensation benefits from 50 to 66½ percent of earnings; maximum benefits on account of temporary total disability would be increased to \$5,000 and disfigurement benefits would be increased to \$3,500.

Ross Weller Reports

Dudley Giberson, Alton, membership chairman, being ill, his report was given by Ross L. Weller, Springfield.

J. J. Beattie, Rockford, reporting for the local boards committee, said the units in Aurora and Du Page county have been made coextensive. A board is being organized in Waukegan.

Mark I. Hall, Belvidere, who reported for the form committee, praised the farm companies for making certain recent changes, but he said other changes are needed. He advocated covering automobiles in the farm policy. That would aid in selling stock auto cover. Coverage should, he said, be granted in the amount of 10 percent in summer kitchens and other buildings on the premises on household goods.

Coverage on Cattle

Mr. Hall recommended that the maximum limit of coverage on cattle apply to cattle one year old or older and that two thirds of the maximum limit apply to younger cattle. He said bad feeling is created when the companies pay only two-thirds of the maximum limit for cattle just under two years old.

He recommended that the item "mowers, reapers, etc." be amended to cover all farm machinery, to include power machinery and engines, excluding windmills and hay loaders, stackers, etc., except when stored in buildings on the premises. The second item, he said, should be revised to cover all farm machinery and implements except on power machinery and its accessories and a new item should be created to cover all privately owned and used power farm machinery, including tractors, engines and accessories.

The items covering on grain, he said, should be amended to include grain cut or uncut and to include ground feed and stock feed. The item covering on hay, straw, fodder, etc., should include silage. The farm policy, he declared, should be extended to include the same coverages as are now offered in the mercantile supplemental contract.

Frank Steger reported for the fire prevention committee.

Lyman M. Drake, Chicago, led a discussion on the supplemental contract, that made a big hit.

Wants Rent Cover

Frank Steger urged that entries be included in the supplemental for rent cover as a sales aid. An entry for drive other car cover should be included in the auto policy.

Cecil Thomas, Springfield, reported for the forms committee. He recom-

mended that explosions of low pressure vacuum type heaters in one and two family residences be covered in the supplemental. He objected to the fact that the rate for malicious mischief is almost as much as for the supplemental and that in addition there is a \$100 deductible. The limitation of coverage on jewelry and furs in the residence of the assured under the personal property floater should be removed, he said.

Urges Action for Code

Allan I. Wolff, Chicago, cautioned against pressing the companies too hard for change. Tact must be employed. The company attitude should be understood. For instance Illinois is the largest wind storm premium state. The companies are reluctant to "throw these premiums out the window." Dilatory tactics on the part of the companies, however, he observed, may prove disastrous. He referred to the bill in congress to create a self insurance fund to cover federal shipments of money and securities. That line has been placed alternately by two big brokerage houses through from 10-20 companies. The agents of Washington, D. C., tried to compete but were blocked by lack of a market. In the last 15 years, premiums have amounted to \$3,500,000, and losses only \$200,000.

Not much argument can be given against self insurance under the circumstances, he observed.

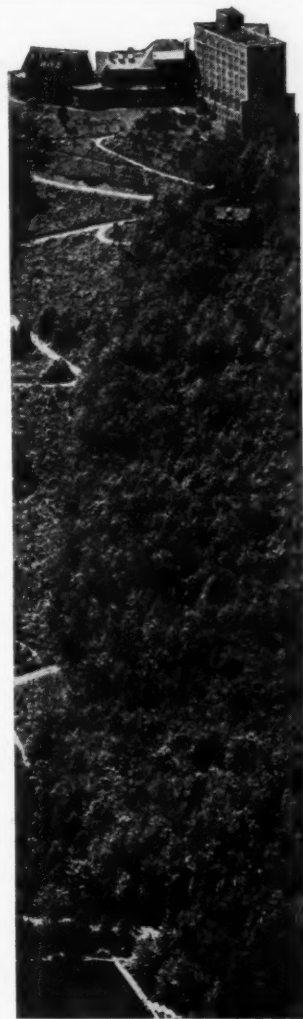
Alvin S. Keys, Springfield, made a plea to agents to reach the members of the legislature in behalf of passage of the code, "as is." The morning session then adjourned.

At noon, a local board luncheon conference was held with J. J. Beattie presiding.

Wallace Rodgers, assistant manager Western Underwriters Association, was the first afternoon speaker, discussing the Business Development project. Among others participating in this discussion were Ross Weller, C. J. Montgomery, and G. E. Mendenhall, Peoria. All were enthusiastic. Mr. Mendenhall suggested that too much emphasis has been placed on big risk competition. Ammunition, he said, is needed to help in the small risk field and especially in respect of automobile. He urged the promulgation of broader policies on the part of stock companies. He advocated a contract covering a building against all physical hazards.

James Coen, Home, president Illinois Fire Underwriters Association, spoke in support of the program.

R. W. Forshay of Anita, Ia., conducted a discussion on the farm insur-



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ance situation. He is chairman of the farm committee of the National association. Cut rate and mutual competition, he declared, is the main problem of the farm local agent. Many such producers have ceased to try to hold the line for the stock forces. They place risks with mutuals when they meet resistance to a stock proposition.

In Iowa 79,000 spark arresters have been installed by mutual companies in the last 1½ years. The mutuals can do this and include the cost in their assessments, but stock companies are blocked because for them to give such an arrester to an assured constitutes a rebate.

Farm Bureau Competition

Farm bureau competition is serious, he said. These bureaus, he declared, are laudable so long as they confine their activities to their original intent. But, receiving a subsidy from taxes, they turn on taxpayers, by selling insurance in competition.

Mr. Forshay devoted much attention to the consumer cooperative development. These concerns will accentuate the emphasis on price in all fields, he predicted. He described the steps that have been taken by the National and state associations to woo the rural and farm writing agent.

Much interest was displayed in the discussion of the occupational disease situation led by W. C. Eaton of the Zurich, who has been keeping in day to day touch with O. D. developments. He showed that accrued liability is the crux of the O. D. problem. If it were not necessary to assume this responsibility, O. D. could be rather easily handled. The legislation now being proposed in Illinois may prove to be the solution. It will force industry as a whole to share the burden of accrued liability.

Inspection Is Needed

The agent, he said, should recommend to clients an inspection to get a true measure of their O. D. hazards. There is no real problem unless there are fumes or dust, he declared. Industry, in the course of time, will have to remove hazardous conditions. The sooner it is done, the better. The agent can render an important service by seeking industry to face its problem, get their plants in shape, take an inventory of their employees, refrain from hiring men who are sick.

Frank L. Erion, prominent independent adjuster, gave a talk on his specialty—use and occupancy insurance. The rate basis for U. & O. is difficult to justify, he contended. The U. & O. rate usually runs with the building rate. The U. & O. rate on a big fireproof building may be only 15 cents although nine months may be required to replace the structure. U. & O. rate on an old frame building may be \$3.75 although replacement can be accomplished in 90 days. There is no difference in rate according to type of machinery. Machinery may have to be built to order for one industry, but may be a standard type for another, yet there is no rate factor that recognizes that difference.

Analyzes the Forms

Mr. Erion analyzed the various U. & O. forms. He concluded by urging agents in small towns particularly to sell rental value cover to home owners—the equivalent of U. & O.

The final speaker was Wade Fetzer, Jr., vice-president W. A. Alexander & Co., of Chicago, on "Future American Agents." He gave the results of a survey conducted by his agency among policyholders.

Chairman Frank Smith of the resolutions committee reported. One memorial urges members of the lower house to pass the insurance code bill without substantial change. Continued opposition to any amendment to the Lloyds section was expressed. Another resolution memorialized casualty companies to embark upon a plan similar to that of the Business Development Office.

Mr. Stewart read a telegram from

Chicago advising that the Chicago law firm of Lord, Lloyd & Bissell had sent bulletins to 150 agents and brokers urging support of the amendment desired by Lloyds.

I.M.U.A. Holds Its Annual Meeting

(CONTINUED FROM PAGE 3)

decisions against term policies. However, this was necessary for competitive purposes.

Keep Committee at Present Size

Mr. Keegan said that after a canvass of the membership, showing great opposition to any increase in the size of the executive committee, the latter considered it a vote of confidence. There has been some criticism during recent times of the slow rotation of committee personnel. Both Mr. Keegan and Mr. Lewis criticized the practice of having members serve by proxy. Mr. Keegan recommended some provision for disqualification in case a committeeman misses a certain number of meetings. The president paid tribute to other officers and personnel of the I.M.U.A.

Secretary H. L. Wayne gave his report. Membership during the year has been increased by five—Pacific Coast Fire, Liberty Fire of Louisville, Lumbermen's, Reliance and Philadelphia National. There were no resignations.

According to figures submitted by member companies for assessment purposes, there has been a substantial increase in volume of classes under jurisdiction for 1936, over the same 1935 period.

Mississippi Insurance Agents Meeting at Gulfport

(CONTINUED FROM PAGE 8)

Corporation regional office, Memphis, was in attendance and answered questions regarding procedure required by the HOLC in handling policies, reporting losses and closing losses. Ramsey Roberts, secretary Insurance Commission of Mississippi, Jackson, talked informally to the members of the association.

Owen T. Palmer, Gulfport, national councillor, reported the work of the National council and Southern Agents Conference at Pittsburgh, Atlanta and Omaha meetings. H. E. Walton, Ruleville, retiring president, conducted business sessions. Mayor J. W. Milner of Gulfport extended the official welcome. The response came from Warner Wells, Greenwood, president of Delta association. The Mississippi Coast Underwriters Association, hosts for the convention, was represented in the official greetings by Fred Moran, past president, Ocean Springs.

Among special guests were William Quaid, vice-president Home of New York who flew from New York to Mobile in order to reach the convention, and who on Saturday flew from New Orleans to Denver, Colo., to fill another engagement; L. T. Wheeler, secretary-manager Southeastern Underwriters Association, Atlanta, and K. L. Cliett, assistant southern manager Royal Liverpool group, Atlanta.

Much Entertainment

At the get-together Friday there were 213 in attendance. The barbecue at Shorecrest was attended by 325. A boat ride to Ship Island, 12 miles from the harbor of Gulfport, was part of the entertainment. About 125 were in the party. A dance closed the convention. The boat ride and dance were a joint courtesy from the association and the Blue Goose. In addition, two bridge parties were formed for the women. Many visitors motored along the scenic highways from Bay St. Louis to Biloxi.

The Buckeye Union Casualty of Columbus, O., has been licensed in Pennsylvania. The Ares Indemnity of New York has also been licensed.

Arkansas Agents Convene; Elect Purifoy President

(CONTINUED FROM PAGE 8)

The nominating committee included Gordon Rather, Little Rock, chairman; J. H. Means, Pine Bluff; W. J. Pollard, Blythesville, and the resolutions committee included V. M. Howell, Fayetteville, chairman; Robert Maxwell, Texarkana, and C. H. Richter of Little Rock. T. M. Woosley of Lake Charles, past president Louisiana Insurance Society, was introduced. He has been recuperating in Hot Springs from a severe illness.

An address on advertising was made by S. M. Brooks of Little Rock, an advertising man. He complimented advertising material furnished by companies to local agents, most of which is of direct mail character. Aware of the fact that much of it goes to waste he urged the importance of keeping an up to date mailing list as well as a definite mailing program.

Mr. Rosen was presented a rod and reel and Mrs. Rosen a silver violet bowl at the banquet held Friday night.

C. F. Liscomb of Duluth, chairman executive committee National Association of Insurance Agents, represented that organization, reviewing for the most part some of the high lights of the mid-year meeting at Omaha. He feels that a great many agents in Arkansas will be interested in the rural and farm agents committee of the National body and its development.

Representatives of local boards at the Omaha muster frankly admitted that they did not dare extend their jurisdiction to cover casualty business for fear of disrupting the even tenor of their operation with fire insurance. Even if casualty and surety business constitutes now a greater part of the local agency income he said that the agents are fearful of any effort locally to try to control practices although they do not hesitate to do so with fire insurance.

Mr. Liscomb deploras the failure of the casualty companies to furnish resources for meeting outside competition similar to the Business Development Office. He condemned the practice of casualty companies in reducing agency commissions without any discussion with the organized agents in territory involved. He thinks there is an opportunity for the casualty companies to modernize their automobile policies and get an overall automobile casualty contract. Mr. Liscomb said that the agents have waited a long time for the clearing up of some of the inequities in the casualty business. They have been very patient. He does not know how long patience should remain a virtue. He feels it is up to the casualty organizations to bring about an improved situation.

Utah Commissioner Makes Plea for Sound Practices

(CONTINUED FROM PAGE 10)

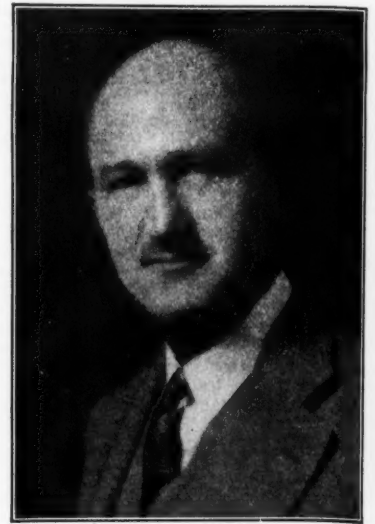
other branches. He discussed ethics in competition. He warned that in tearing down a competitor one may cause a prospect to lose faith in the detractor.

In connection with the rate question he said, "I have been in office just long enough to satisfy myself that if a rate war takes place it will be detrimental to all of us. A war always results in loss to everyone." He declared that his office will do all it can to stop a rate war. It was his intention, he said, to see that the requirements of the rate filing bureau are complied with. "I would not try to stifle competition," he said, "but I do not want to see unscientific price-cutting, for that is not real competition."

He referred to "the unaffiliated, the mavericks, the unbranded boys" as causing the trouble. He commented upon the relatively small amount of money allowed the commissioner's office compared with the need and the amount in fees collected by the department.

J. H. Roberts, manager of the Utah

Active in Ranks



CHARLES C. HEWITT, Boston

Charles C. Hewitt of the potent local agency firm of Boit, Dalton, Church & Hamilton of Boston is much before the fraternity these days. This week he spoke at the insurance division of the American Management Association at Atlantic City. He was formerly vice-president of the National Fire of Hartford and is a man with definite sales instincts and qualifications. He believes that the direct writing companies are a menace and therefore through his auspices the Massachusetts Association of Insurance Agents is sponsoring a new organization composed of assured who buy their protection from brokers and agents.

Board of Fire Underwriters, gave a short talk as a substitute for an address to have been given by H. F. Badger, secretary Pacific Board, who was unable to attend. He appealed to his hearers to refrain from running to the commissioner with complaints without first making an effort to get all the facts. He said much trouble has been caused recently by ignorance of persons quoting rates when they did not know just what was in the schedule. Mr. Roberts said he thought a lot of good could be accomplished by gentlemen's agreements.

Discuss Reporting Forms

A. E. Esray, special agent North America group, gave a paper on "Reporting Form of Policies," confining his remarks to the provisional reporting form. Following this paper, Adrian Hatch moved the association go on record in favor of reducing minimum premium in Utah from \$100 to \$50. This carried, but supporting votes were scanty.

F. A. Moreton gave a short talk in his capacity of national councillor. He discussed several important topics treated at national conventions, especially compulsory auto insurance, to which he expressed opposition. He also referred to policy revision which he deemed necessary.

E. H. Miller, Tracy Loan & Trust Company, Salt Lake, moved that the convention go on record in behalf of eliminating the 25 percent added recently to public automobile liability and property damage premiums in the state. C. E. Raybould, chairman Utah committee, touched upon educating insurance men.

Henry Johnson reported for the Logan "local." The group was not meeting regularly. Ed. Stine reported for the Provo association, which is prospering. Trace Turner reported for Ogden that harmony prevails. There was no report for Salt Lake. S. E. Rich, Salt Lake City, president special agents' organization, spoke briefly upon harmony and goodwill existing between the two organizations.

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Sales, Development Work Is Discussed

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amples of good and bad practices. He is convinced most salesmen would be more effective if they were not afraid of being human in their expressions of self.

"Using the Tools We Have," was the subject of J. W. Mundus, Detroit, past president Michigan Association. He listed five major obligations of the ideal agent—to his industry or business, to his customer, to his companies, to his community and to his family. To discharge these obligations faithfully, the agent needs first, he said, to consider carefully what type of company he should represent, stock or non-stock. As 75 percent of the general business is done by stock companies, he believes it consistent for an agent to approach business men while representing the same form of business organization in the insurance world. Moreover it was logical, he said, for an agent to represent only companies which recognized agency ownership of expirations.

Mundus Presents Ideas

Beyond all this he would like to be associated with that part of the insurance business which grades every city according to its fire safety standards and practices and stimulates better protection of communities by municipal action, which specifically rates each individual business risk in the nation and encourages property conservation by rate reduction for improvement, and furnishes most of the funds for carrying on many kinds of public service like arson control and building material testing.

The Business Development program and its services Mr. Mundus described as the most fruitful joint endeavor yet undertaken by companies and agents. He told how they organized and worked in Michigan to bring the stock company message to 2,000 agents with effective results. He was critical of agencies which fail to maintain close relations with assured, or to provide them with correctly drawn and fitted contracts, with surveys of rates and hazards and with notable loss service. Unfortunately, said Mr. Mundus, the insurance business tends to make a lazy man out of an active man as soon as he becomes successful.

Small Town Agents Suffer

Agents in small towns and cities suffer most from competition of non-stock carriers according to premium income figures and to special agents of non-stock carriers, said Mr. Mundus. A mutual in Michigan disclosed that 80 percent of its business came from outside Detroit although one-half of Michigan's population is in that city. A mutual special agent protested to his management against operating in Detroit and other larger cities in the state because he found competition and preparedness of stock company agents much less pronounced in smaller cities and towns and for the same expenditure of effort got greater results there. Agents in these smaller cities and towns should use the Business Development ideas and service quickly, he said, if they would save more of their business and regain much already lost.

The consumer cooperative movement offers insurance men an unusually effective weapon and they should grasp it eagerly and wield it vigorously. That is the conviction of Mr. Mundus based on personal experience. Join all groups fighting the cooperative movement and the results from favorable contacts and the arousing of the agent's fighting spirit will bring rewards, he concluded.

Dodge, Rogers Report

Reports of Albert Dodge, Buffalo, national councillor and T. L. Rogers, Little Falls, chairman law and legislation committee, gave ample evidence of their activity. Mr. Dodge emphasized the organization of the joint body representing all state associations in East-

ern Underwriters Association territory. L. L. Saunders, Albany, executive secretary Insurance Federation of the State of New York, invited all to attend the meeting of that organization in Syracuse beginning June 4.

President Roe announced the personnel of two committees: Nominating, headed by J. D. Henderson, Herkimer, and including W. F. Stanz, Brooklyn; Robert O'Donohue, Suffolk county; Fred Marshall, East Aurora; Robert MacKenzie, Westchester county; E. S. Poole, Albany, and J. W. Packer, Rome. Resolutions headed by F. L. Gardner, Poughkeepsie, and including Follet Greeno, Rochester; R. E. Thompson, Valley Stream; J. C. Olson, Buffalo; H. H. Hatch, Massena, and Murray Lent, White Plains.

There must be no compromise by local associations and boards in regulating fair practices and punishing erring members if the American agency system is to go on and avoid state control, W. O. Wilson, president National association, said. This is a matter of principle and adopting a weak-kneed attitude merely encourages violators of board rules to go on doing so.

The commission control bill is an example of where there can be no compromise, he said, and it is an illustration of what happens when local organizations fail to regulate their members' practices. The cause of the disturbance must be removed, or state control will follow despite the sanctity of private contract, even though such a bill might be unconstitutional.

He said the members of the Eastern Underwriters Association should be more forthright in their position on such a measure. They will suffer with the agents if this ever goes through. He warned against greed in the matter of commissions. He also urged agents not to represent both stock and mutual companies.

Cullen Is a Speaker

Because the public still puts its trust in local agents, it behooves them to support the department in its efforts to push through legislation prescribing more conservative investments for the policyholders' reserve funds, T. J. Cullen, New York deputy insurance superintendent, said. He reviewed in detail examples of public confidence in agents and the qualifications they need.

Above all, he must never cast doubt upon the reputation of other companies; this only puts a cloud on the business as a whole. The public is more insurance-conscious, but it still expects to get the information primarily through the agent.

President Roe's Report

President J. J. Roe, Jr., reported membership is at the highest since 1931 and is second only to California. Revisions were made in membership committee structure, with the secretary acting as coordinator between state and local associations, and a chairman being appointed for each county.

The New York association believes the present standard fire policy to be more satisfactory than a future contract, he said. The agents are fearful of the policy as it would evolve under pressure of various lobby groups.

The only real solution of the excess commission problem is negotiation between the local board and the companies. He recommended that if the commission control bill is reintroduced, the association sponsor an amendment making the law applicable to company expense and home office allocation as well.

He predicted relief in regard to the mixed stock and non-stock agency problems in the near future. His report welcomed the retrospective rating plan as adopted by Superintendent Pink in New York and disapproved the \$1,000 combination automobile policy idea.

Albert Dodge, National councillor, went over the meeting of the national

councillors for the Eastern Underwriters territory held at Pittsburgh as well as the National association's annual and mid-year meetings. He urged a finish fight against any federal subsidy for consumer cooperatives, and said given a fair chance the efficient agent can weather this storm successfully. Education of the value of privately owned business enterprises, such as carried on by the Business Development movement is essential.

Criticizes First Bancredit

Secretary-treasurer J. W. Rose reported on the activities of his office, saying that between 20 and 30 informative letters are sent out daily to inquiring insurance men. He went over the fight the association waged against the original financing plan of the First Bancredit Corporation and expressed dissatisfaction with the new setup. He said the method of cancellation for default of premium instalments will cause controversy between assured and insurers.

Mr. Rose predicted the First Bancredit will take the same course as the General Motors Acceptance Corporation in entering the insurance business by degrees. He recommended financing through a local company.

Four regional meetings will be held during the coming year, he said. Membership now totals 1,017 as compared to 1,006 a year ago. There were a large number of lapses for non-payment, he said.

Legislative Perils Told

T. L. Rogers, chairman legislative committee, outlined the group's work in fighting inimical legislation. The last session saw a record number of "trick" measures introduced, he said.

Insurance people in New York during 1938 will have to watch not only the legislature but the constitutional convention as well, to prevent harmful proposals from being enacted. He warned the agents to watch for a new attempt to put through compulsory automobile insurance, since the Berg committee was extended for another year. The bill to legalize pari-mutuel betting on horse and dog races will eventually hurt insurance, since it causes bad experience among surety companies, he added.

The board elected to the executive committee W. E. Day, Syracuse; Albert Dodge, Buffalo; F. L. Greeno, Rochester, and A. J. Smith, New York City. All are reelected except Mr. Smith, who succeeds T. L. Rogers, Little Falls.

Boston Agent Talks from Standpoint of the Producer

(CONTINUED FROM PAGE 1)

of indemnity written and priced by and only by the company that is to pay under it. Right now, said Mr. Hewitt, he ought to know that insurance is rapidly entering a "survival of the fittest" battle. He should know that direct writers have made such a bonanza out of their unsupervised price selling that they are driving staid, quiet, well managed mutuals into similar aggression—something totally foreign to their make-up or past experience. He should realize, Mr. Hewitt said, that mutual companies are underselling mutual companies. Stock and mutual companies, where the law will permit, are driving their rates down to unheard of levels, basing their action on a freakishly low and abnormal loss ratio, which may change at any time.

Can Not Replace Agent

Mr. Hewitt said that in spite of the insurance knowledge of the official who handles the insurance of a concern or the insurance manager, they can never replace the practical experience and contact of the agent or broker.

The insurance manager, Mr. Hewitt said, who features price buying to the exclusion of loss control is, in his opinion, short-sighted. The reaction of a company in time of loss to the persistent price chiseler is, "Now it is my turn to collect." A good manager, he declared, can save more by reducing or

eliminating accidents and losses than he can ever save by hammering at the price of his insurance. The cost, he said, is going up in the liability field where legislatures are putting new premiums yearly on injuries and where the only way an assured can escape the added penalties is to eliminate the losses.

Duty to Cut Down Loss Ratio

In conclusion, Mr. Hewitt said: "Your loss record usually determines the cost if you are a big buyer, but you need to study your own figures pretty closely and call on your broker for additional help in the study or you may find yourself overcharged. Work on your records, study your accidents, and lower prices are almost certain to follow. Have your contracts carefully supervised and studied on each delivery. From what I have had to say, you will observe that my conception of insurance management is not the employment of some one to reduce the cost of insurance by price buying, but to reduce the cost of insurance by accident control. It is not some one to eliminate the broker, but some one to assist the broker in better serving industry. It is the employment of some one who knows or has the capacity to learn what insurance is, and who will instinctively realize when it is over or under-priced; who will be able to turn down a suicide price when it is advisable to do so; who knows unnecessary insurance and can eliminate it; who is an underwriter; and most of all, who has time to do his work."

BUYERS' DUTIES TOLD

Ernest Meyer, treasurer Robert Gair Company, New York City, urged advisability of insured companies fixing a broad, general policy with regard to insurance and then putting into the hands of one man the responsibility for managing insurance affairs within the limit set.

"I think it is asking too much of the insurance officer and also dangerous from management's viewpoint to require him to make this distinction except within limit previously fixed by management," said Mr. Meyer, referring to decisions on matters of general policy. "If this is done the insurance officer knows broadly what is expected of him."

Operations Must Be Centralized

Stressing the need of centralizing insurance operations, Mr. Meyer said that while it will be conceded readily that generally speaking executives and personnel of industrial and commercial companies are equipped to direct normal operation, there is admittedly room for doubt respecting their ability to protect the business against the many risks of accidental loss to which it is constantly exposed.

"One of the encouraging signs of progress in this field of management is that more and more executives are becoming aware of this fact. They recognize their own limitations, so to speak. Through experience they have learned that the task of organizing, procuring, and supervising insurance and related matters requires a knowledge and skill which they have not had an opportunity to acquire. Likewise, they have come to appreciate the fact that the sound and economical use of insurance is not possible without a proper understanding of its true nature and functions."

Risks Increasingly Complex

Mr. Meyer pointed out that with numerous and varied risks, which are becoming more complex daily, there is a threat not only to a company's investment in physical property but in personnel as well. It is not a question of ordering an assortment of policies but of tailoring coverages to fit a company's requirement. This job cannot be left safely to department heads he said, since their spheres of interest are narrow, their ideas of insurance vague, and their judgment on that score not dependable. Decentralization of management, placing various units more and

more on their own, intensifies this situation, he warned. Furthermore, decentralization deprives a company of most of the advantages which it might obtain by its large purchasing power, he said.

Mr. Meyer said that progressive management wants to prevent accidents as well as to be insured against them, since it realizes first that intangible losses resulting from accidents cannot be completely covered and second that losses have a bearing on the ultimate cost of protection. Safety efforts, he said, should be coordinated among all divisions of a company. Management's definite policy with respect to insurance should differentiate between insuring every risk or every part of a risk and a wise self assumption of some losses. The company should determine what basic protection it wants to maintain and what protection it does not want.

General Agents in Denver for Meeting

(CONTINUED FROM PAGE 1)

President W. L. Braerton opened the meeting Monday morning with about 70 in the hall.

F. R. Lanagan of the Daly general agency of Denver, gave the welcoming address.

J. K. Shepherd of Little Rock, one of the key men of the organization, gave the response.

This disposed of the preliminaries. J. R. Dumont, manager Interstate Underwriters Board, who has been following these general agents meetings for several years and is most popular with this group, was the first scheduled speaker. His discussion of reporting forms and supplemental contract was followed intently and there was considerable discussion.

F. S. Dauwalter, director Business Development Office, the next speaker, was in good form, and gave his audience some effective ammunition for combating non-stock competition, as well as stimulating them to take the offensive. Leaders in the association are taking an enthusiastic part in the B. D. O. enterprise.

L. E. English, Richmond, Va., told of the work of B. P. Carter, Richmond general agent and a local agent, in procuring the school line in a city about 25 miles from Richmond against mutual competition by the use of B. D. O. material. Mr. English offered a resolution of appreciation to Mr. Dauwalter, which was adopted. This will be put on parchment, framed and sent to Mr. Dauwalter.

A. F. Southeray, vice-president First Bancredit Corporation of St. Paul was the final speaker Monday morning. He discussed the important new developments in premium financing.

Merchants Fire Luncheon

The Merchants of Denver was host at the luncheon Monday. The guests were presented with pocket knives. President James Reed, rating engineer of the Merchants, introduced the officers and employees of the Merchants who were present, including President John R. Gardner, Vice-president Guy Gardner, Roger B. Knight, a director, Clyde Gardner, operator of the Gardner agency, Cameron Lockhead, auto manager, Carl Allen, statistician, Harry Huskins, chief examiner, and Jess Read, chief accountant.

In his presidential address, W. L. Braerton said that definite steps should be taken to combat the growing trend toward consumer cooperatives and mutual fire companies. He also recommended that the association study all phases of the premium financing plan now in active use by more than 200 of the leading fire companies.

Mr. Braerton was emphatic in saying that the title of "general agent" should be restricted to two definite classes, i.e., home office officials and bonafide supervising general agents who are eligible for membership in the association.

H. C. Conick, assistant United States

manager Royal-Liverpool spoke on "The General Agent's Position in Insurance Today." He advocated a better education of field men and agents that they in turn may present a more attractive picture of the insurance business to the public.

C. V. Davis of Sheridan, Wyo., member of the executive committee of the National Association of Insurance Agents, in bringing greetings from his organization, mentioned that the agents association is consciously undertaking to promote good feeling between company and agency ranks. He expressed the belief that the company people have confidence in the National association and so long as this is true progress will be made.

He asked the general agents to cooperate by refraining from making improper agency appointments.

W. L. Braerton of Denver, in his presidential address, urged leaders in the association constantly to see that the title "general agent" is not misused and that it is applied only to home office officials who carry such designation and by bona fide operators that are eligible for membership in the general agents association. The companies should always be cautioned against referring to high commission local agents as general agents.

Made Two Long Trips

Mr. Braerton recalled that during the year he made two long trips visiting general agents throughout the country. He said he discovered much interest in the association among real general agents and company executives are getting an increased understanding of the objectives of the organization. The general agency system, he declared, is in the healthiest condition for a great many years.

Mr. Braerton recalled that the association has been given a place on the advisory committee of the Business Development Office. He urged the members to give this enterprise their wholehearted support. During the year an association emblem was adopted and each member was furnished with a cut. A directory of the membership was prepared. He said company executives had been much impressed to see the large number of companies represented in general agencies and the splendid character of such companies.

Mr. Braerton recommended that the incoming administration be instructed to work with company officials and the National Association of Insurance Agents to combat the growth of consumer cooperatives.

"They strike at the very roots of private business," he declared, "and if they become a dominating factor in the industry of this country, it will mean not only the end of our businesses as we know them now, but a complete revolution in our many years' idea of the profit motive of the individual in business."

Herbert Cobb Stebbins of Denver, reporting as secretary, stated that membership now stands at an even 100. That is a gain of 17 for the year. Total income during the year was \$3,747; total expenditures \$2,750. He recommended that the directory of members be corrected and reprinted.

L. B. Daniels of Seeley & Co., San Francisco, gave a talk on "Building Agency Plants for General Agents." He expressed the belief that the general agency system is far more flexible than the branch office or direct reporting company system. It gives a greater opportunity for expression of individuality. He observed that general agents are among the leaders in their territories. Because they are independent business men they have the opportunity and ability to do independent thinking.

The similarity of interests of general agent and local agent makes the relationship actually a partnership.

The general agent must always be alert to develop new sales ideas for his agents. He said the general agent should spend more time helping the agents sell policies and less time selling the general agent to the agent.

A successful general agent, according to Mr. Daniels, does not seek to get business or curry favors by offering part of his profit to his agents. He devotes his time to assisting the agent to sell insurance.

Mr. Daniels predicted that comprehensive insurance is the coming form. The agents should be educated accordingly, he said. The public is demanding fewer policies, fewer exclusions, simplified language and more complete coverage. He urged the general agents to be the best informed, widest awake and most competent insurance offices in their territories.

He urged general agents always to utilize every resource in an attempt to work out solutions of their problems. He warned against too hasty declination of unusual lines. Frequently by study some practical solution can be arrived at.

Favors Multiple Line Plan

He advised conducting a multiple line general agency, handling fire, auto, casualty, surety, etc. An agent therefore could conduct his entire business through representation of one multiple line general agent. That cuts the overhead of the agent, saves time and develops close personal relationship.

The agent should seek to write the entire account of his client and the general agent should seek to handle the entire account of the local agent, he declared.

Because the general agent is so vitally concerned with salesmanship, he is frequently able to give better service to the local agent, according to Mr. Daniels, than is the company executive who is concerned with general administrative matters.

The general agent should encourage local agents to bring in all sorts of problems. He warned against giving the agent credit beyond the regulation period. It is no service to the agent to permit him to run along with his accounts, because that is very likely to lead to insolvency.

A paper by C. K. Drew, editor "Western Underwriter," San Francisco, on "From the Conning Tower," was read. He reviewed the strength of the general agencies in maintaining their position, but said the attitude of company head offices for general agency participation in specially writing pools and combinations is discouraging.

He urged simpler insurance terms for public use, saying that "stock insurance," "old line legal reserve" and other phrases have confused the public mind.

Mr. Drew said there is no equity in the non-assessable laws adopted by many states. However, general agents and field men through their advanced study of conditions and preparation bear the real burden of fighting cut rate competition.

He predicted that before the year is out unionism will try to break into the fire business. L. B. Daniels spoke.

With election of L. E. English as president, the 1938 convention probably will be held in Richmond. L. B. Daniels was made executive committee chairman, putting him in line for the presidency next year and indicating the 1939 convention will be in San Francisco.

Competition Given Exhaustive Study

(CONTINUED FROM PAGE 6)

about cooperative insurance instead of mutual insurance in order to link the mutual form of insurance to what he termed its counterpart in general business operations. He centered much of his discussion around the threat of state control of agency commissions in New York state.

The farm underwriting committee report presented by its chairman, Fred J. Marshall, East Aurora, urged closer attention to careful selection of risk and closer adherence to classification rules.

When an uninsured auto speeder appears before Judge Gitelman of Rochester, he gets an unusually large fine which is remitted if he turns in his

license plates for stated periods or takes out insurance for one year, Mr. Gitelman said in his address. This procedure cut down arrests of uninsured motorists for speeding by 80 percent.

Thomas Sharp, Rochester, chairman special committee for study of compulsory automobile insurance, who followed, said that announcement of Superintendent Pink in favor of compulsory automobile insurance came as a shock since Mr. Pink a few months ago had stated an opposition to this suggested remedy. Mr. Sharp would have special machinery developed to speed the handling of automobile claim and court cases of all kinds. He commended the casualty company executives for preparing a standard automobile financial responsibility bill. It is known, he reported, that the legislative committee in New York will recommend next year a compulsory automobile insurance law.

First Vice-president R. M. Carson, Glens Falls, chairman public properties insurance committee, opened the last session with an urgent appeal to handle public properties under the Oakland (Cal.) plan or one similar to it. He described this plan and reported that two New York territories have like arrangements. These are Niagara Falls and Nassau county. W. H. A. Munns, chairman fire insurance conference committee, reviewed efforts of his committee during the past year to obtain improvement in the supplementary fire contract and classification of risks in classes C and D.

Better service to agents by the New York Fire Insurance Rating Organization can be given if agent will come to the organization with complete facts about the risk, said "Larry" Daw, its manager at Syracuse. He said too often agents fail to give all the facts.

Greeno and Hannah Speak

In bantering fashion, Charles C. Hannah, manager, eastern department Firemen's Fund, said he had heard the next part of the program described as the bout between "Battling" Hannah and "Kid" Greeno. Mr. Hannah spoke on, "If I Were a Local Agent," while Mr. Greeno held forth on, "If I Were a Company Executive." Many identical principles were supported by both speakers but the application was placed, as would be expected on different locations.

Mr. Hannah said if he were an agent he would be critical of excessive entertainment by company officials at agency conventions, particularly entertainment which might interfere with the principal business of the convention. His chief plea was for more efficient service to customers and more careful agency financial management.

Applause greeted Mr. Greeno's appeal for national radio advertising designed to sell the public on the desirability of insurance protection in stock companies. He believes company advertising to the public should be institutional, not company advertising. Again his remark that stock companies withdraw from agencies harboring mutuals received marked approval. Concentration of the insurance business of many individuals in a single company leads inevitably to mutual intervention or to organization of a new company to take over the group business.

The Consumer Cooperative Movement, foreign and domestic, was reviewed by Frank G. Howard, president of A. L. Davis' Sons, department store in Binghamton, R. D. Constable, Syracuse special agent, Agricultural Insurance Company, spoke briefly on the same subject and the discussion was continued by President W. Owen Wilson. He commented on the anomaly of merchants protesting against cooperatives in their business while supporting them in the insurance business.

Joseph H. Miller, Utica, reported as chairman of the fire prevention committee, describing fire prevention activities in that city. Albert Dodge, Buffalo, gave his report as chairman of the Casualty Conference Committee. Charles H. Tukey, Rochester, gave the final committee report as chairman of the street and highway safety committee.



Organized 1875



ACCIDENT AND CASUALTY INSURANCE COMPANY
OF WINTERTHUR, SWITZERLAND

111 JOHN STREET
NEW YORK

United States Branch

Statement December 31, 1936

ASSETS

U. S. Treasury Bonds	\$1,618,037.96
Other Bonds	1,126,384.52
Stocks	144,581.00
Accrued Interest	23,718.47
Cash in Office and Banks	124,993.03
	<u>\$3,037,714.98</u>

LIABILITIES

Voluntary Contingency Reserve	\$ 537,714.98
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	1,650,000.00
Surplus to Policy Holders	<u>2,500,000.00</u>
	<u>\$3,037,714.98</u>

Bonds and Stocks owned are valued in accordance with the requirements of the New York State Insurance Department and the National Convention of Insurance Commissioners.

NEAL BASSETT

United States Manager

111 JOHN STREET, NEW YORK



REINSURANCE

CARDINAL PRINCIPLE:
EVERY GOOD CONTRACT
AFFORDS THE PARTIES
EQUAL OPPORTUNITY
FOR PROFIT

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